



GOVERNMENT OF INDIA

R E P O R T

of the

STUDY GROUP

(TRANSPORT PLANNING)

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INTRODUCTORY

Complaints were received during the year 1953, from various quarters about the difficulties experienced by industry and trade in securing adequate railway transport for the carriage of raw materials and finished goods. Suggestions were also made that road transport should be expanded so as to fill the gap between the demand for transport on the one hand and the availability of railway wagons on the other. The Planning Commission took note of these criticisms and invited the comments of the State Governments as to the extent to which their plans had been affected by the shortage of transport. On receipt of replies from the State Governments, an inter-departmental meeting was convened by the Planning Commission on 19th August 1953 to review the position. It was then decided to set up a small Study Group consisting of the representatives of the Planning Commission and the Ministries of Transport, Railways, Commerce and Industry and Food and Agriculture to examine and make recommendations on planning transport industry so as to meet the increasing demands.

2. The Study Group was set up in December 1953, with the following members:—

1. Shri N. M. Ayyar, I.C.S. Secretary Ministry of Transport—Chairman.
2. Shri H. P. Mathrani, Consulting Engineer (Road Development) and Joint Secretary to the Government of India, Ministry of Transport (Roads Wing).
3. Shri J. N. Nanda, Transport Adviser, Planning Commission.
4. Shri A. Nannu, Deputy Secretary, Ministry of Production.
5. Shri B. B. Saksena, Deputy Secretary, Ministry of Commerce and Industry.
6. Shri M. D. Sethna, Chief Director of Movements, Ministry of Food and Agriculture.
7. Shri S. C. Chaudhri, Deputy Economic & Statistical Adviser, Ministry of Food & Agriculture.
8. Shri M. V. Bhavnani, Officer on Special Duty, Ministry of Railways.
9. Shri H. Davenport, Director of Employment Exchanges, Office of the Directorate General of Resettlement & Employment, Ministry of Labour.
10. Shri C. Parthasarathy, Deputy Secretary, Ministry of Transport—Member-Secretary.
11. Shri D. D. Suri, I.A.S., Deputy Secretary, Ministry of Transport, took over as Member-Secretary with effect from the 22nd March 1955.

Except for the representative of the Railways, who worked full-time, all the others were associated as part-time members.

3. The terms of reference of the Study Group were as follows:—

(i) Study the data regarding targets of additional production and demand on regional basis and work out the additional transport capacity required to be created for facilitating the movement of traffic arising therefrom.

(ii) Examine more thoroughly the suggestion to demarcate 50-mile zones in the congested areas round Calcutta, Madras, Bombay, Ahmedabad, Kanpur, etc. for road traffic (it being understood that the Railways would not accept transport of certain categories of goods within the zones) with special reference to (a) the economics of the proposal; (b) relief to railway traffic (wagon capacity to be released); (c) problems, if any, arising out of increase in road traffic like capacity of roads and their conditions, suitability of bridges for coping with additional traffic; (d) additional employment likely to be created and other related aspects.

(iii) Go into all aspects of the problem of rail-road transport co-ordination and make recommendations to the Government.

(iv) Study the problems of Light Railways like the Martin and Burn Railways, who, it is understood, are finding it difficult to face the competition of road traffic.

4. Besides the studies in their own special spheres by members, the Group held a number of meetings with the interests connected with various types of transport, industrialists, chambers of commerce and experts on the various problems of rail, road and sea transport. It is on the basis of a detailed consideration of the points raised by the various interests and the investigation of the problems generally that the Group arrived at certain conclusions and recommendations which were broadly agreed upon at the final meeting of the Group on 12th October 1954, when it was decided that a Sub-Committee consisting of the Member-Secretary (Shri C. Parthasarathy), Shri Nanda and Shri Bhavnani should prepare a final draft report. The Sub-Committee subsequently held a number of meetings and the report was drafted during December 1954 and January 1955.

5. From the beginning it was realised that the problem to be studied was of such magnitude that it could not be considered in detail by a Study Group consisting of persons who were more or less fully occupied with their normal administrative duties. It was, therefore, decided to focus attention mainly on the broader principles and problems with a view to arriving at certain conclusions based on the available statistics. The Group has thus only attempted to set out in the following chapters factual data together with certain recommendations for the consideration of the Departments concerned. It was also felt that it would be useful to make available to Government certain conclusions and recommendations in advance without waiting for the completion of the report. These conclusions which related to road transport were made available in time for consideration by the Transport Advisory Council in November, 1954, and it is gratifying to note that the Council accepted in principle all the recommendations. Similarly, the detailed examination by the Railway Representative has been of great help to the Ministry of Railways in assessing the wagon requirements.

6. The present report deals with items (i) and (iii) of the terms of reference. As regards item (ii), the Ministry of Transport had, even before the Study Group was set up, deputed four officers from their Roads Wing to undertake a quick survey of the road transport position in Calcutta, Kanpur, Madras, and Bombay. These officers submitted their report in November 1953. Immediately thereafter, the Group issued a detailed questionnaire to 51 public carrier vehicles operators in the industrial regions of Kanpur, Calcutta, Bombay, Ahmedabad, Madras and Delhi, and about 700 manufacturing establishments in those regions. Out of these, replies were received only from 17 operators and 70 establishments. The data furnished by these establishments and operators were examined by the Group who had also the benefit of discussions with representatives of operators and Chambers of Commerce in the Calcutta region. The replies received were also of considerable value in drafting this report. Since then the Representative of the Railways has carried out a detailed survey of the Calcutta and Kanpur regions and submitted his report. This is under examination and the Group will shortly prepare a second report dealing with item (ii) of the terms of reference. As regards item (iv) the Railway Representative has submitted a note after examining certain statistical data relating to the working of the Light Railways. The Study Group has examined this and it is proposed to have a further on-the-spot examination before arriving at the final recommendations, which will also be included in the Second report.



CHAPTER I.—Need for a National Transportation Policy.

Roads, inland waterways, coastal shipping and railways have to be developed as complementary means of communications in any country. During the last two or three decades there has been a definite trend towards the formulation of such a policy in most countries of the world. In India, though the railways were the last to make their appearance choronologically, they have over-shadowed the three other means by expanding vastly as a result of the encouragement given to them by official policies adopted for over a hundred years. The revival of interest in the other means of transport has still to acquire momentum in this country. Though some measures have been taken and policy statements made from time to time regarding the importance of developing other means of transport, no definite policy, giving due recognition to the part to be played by road transport, inland navigation and coastal shipping has been finally adopted by Government. In the absence of such recognition, the public as well as official circles primarily think in terms of railways whenever transport capacity is discussed. There have been instances in which Government Departments have arrived at decisions having only the railways in mind and which incidentally had an adverse effect particularly on inland navigation and coastal shipping. For instance, while Government have reserved the coastal trade for Indian ships and are taking active measures for increasing the tonnage on the coast, there is considerable reluctance on the part of the public as well as Government Departments to use coastal shipping for moving their own goods, the main reason for this being the alleged incurred cost involved in sending goods by sea. The system of telescopic rates in force on the railways makes railway transport much more attractive for long distance haulage as compared with coastal shipping and consigners are prepared even to wait for their turn on the railways rather than incur any extra expenditure on the sea route.

2. The possibilities of developing inland navigation have still to be examined. Considering the large number of rivers in the country covering thousands of miles, inland navigation should play a very important part in the transport system. Unfortunately, however, most of the rivers lack the necessary depth and the rivers have been so neglected that the revival of inland navigation will require large scale investigations and considerable outlay of expenditure. At the moment, hardly 5,000 miles of waterways are navigable by mechanically propelled vessels. Even on these stretches, navigation has to face serious competition from the railways. In 1949, at a meeting of representatives of State Governments and inland steamer companies, the Minister for Transport and Railways of the Government of India assured the interests concerned that Government were interested in co-ordinating all forms of transport, river, road and railways and that if the river services were found to be better suited to meet the needs of a particular

area. Government would be prepared to consider their development even in preference to railways or to make the railways co-ordinate their activities with the river services so as to enable the two to work in collaboration. It has not, however, been possible to do much since then to develop river services in any area.

3. The same is true of road transport, where development has not kept pace with the increase in demand.

4. We feel, therefore, that the first step to be taken is for Government to announce formally their policy in regard to the development of different means of transport.

5. The Motor Vehicle Taxation Enquiry Committee, 1950, stressed necessity for co-ordinated development, and they generally supported the following principles of inland transport co-ordination recommended by the International Chamber of Commerce to all nations for adoption:—

- “(1) Production and distribution are dependent upon efficient and economical transport, and transport in turn depends upon flourishing production and distribution. The problem is thus two-fold and should not be considered only from the stand-point of transport.
- (2) To ensure the application of this principle there should be arrangements in each country for consultation of the various forms of transport with their users (agriculture, industry, trade), on rates, charges, services, conditions of carriage and all other economic aspects of the problem
- (3) The user should enjoy unrestricted freedom of choice among the means of transport.
- (4) Transport “for own account” should be unrestricted
- (5) There should be national studies of inland transport with a view to determining all the elements of the cost of each form of transport in each country.
- (6) Whether the different forms of transport are either separately administered or centrally controlled by a statutory body, they should be free to compete. Healthy but not wasteful competition should be encouraged and for this purpose the different forms of “professional transport” should be placed on a comparable competitive basis by revising and easing the statutory obligations, keeping also in view the interests of transport for “own account”. Structure of charges should reflect the cost of providing the services and should be framed so as to obtain the maximum economy in each form of transport.
- (7) Nothing should be done which would hinder the development of any particular form of transport or disguise the advantages it could offer or which would discourage its use in order to provide artificial support for any alternative form of transport. The basis of co-ordination must be dynamic, not static.

- (8) In the interests of defence or the general national welfare, it may be necessary, in very exceptional cases, to maintain certain forms of transport at a minimum level. The losses on such operations should not throw additional charges on transport users as such; they should be nationally borne."

5. At a meeting held in 1951 which considered the recommendations of the Motor Vehicle Taxation Enquiry Committee, the Transport Advisory Council adopted the following principles governing inland transport:—

- "(a) Fair and impartial regulation of all modes of inland transport so administered as to recognise and preserve the inherent advantages of each.
- (b) Promotion of safe, adequate, economical and efficient services and the fostering of sound economic conditions in transport among the several carriers.
- (c) Encouragement of the establishment and maintenance of reasonable charges for transport services without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices.
- (d) Development, co-ordination and preservation of a nationwide transport system by water, road and rail, as well as other means, adequate to meet the needs of India."

These principles are based on the following provision in the "Inter-State Commerce Act" of the United States of America:—

"It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this Act, so administered as to recognise and preserve the inherent advantages of each; to promote safe, adequate, economical and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to co-operate with the several States and the duly authorised officials thereof; and to encourage fair wages and equitable working conditions all to the end of developing, co-ordinating, and preserving a national transportation system by water, highway and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Services, and of the national defence. All of the provisions of this Act shall be administered and enforced with a view to carrying out the above declaration of Policy."

We feel that unless the policy of co-ordinated development is embodied in a statute, the comparatively weaker elements in the transport system such as road and inland water transport, will not

have proper scope for development. The railways also will then be in a better position to face competition from the state-owned Road Transport systems. Elsewhere, in this report, we are making recommendations that inter-state movement of motor vehicles should be subject to statutory regulation by the Central Government. Any legislation undertaken in pursuance of that recommendation can be used for incorporating a statement of policy on the lines of the one in the U.S. Act.

6. The eight points mentioned by the Motor Vehicle Taxation Enquiry Committee should be treated as amplifying the main policy and should be adopted.



CHAPTER II.—General Review of the extent to which transport requirements have been met by railways.

For the proper planning of transport, it is necessary to assess the shortage experienced at present, the requirements arising out of the normal increase in population during the period of the Plan and the additional transport capacity required for the movement of the traffic arising out of the implementation of the Five Year Plan. While opinion is practically unanimous that the available overall transport capacity falls considerably short of actual needs, no serious attempt has been made to assess the overall shortage. The only reliable transport statistics, which are available, relate to rail transport and there is no machinery for the collection of data relating to the movement of goods by road by public or private carriers. Some information is available regarding movements of goods over inland waterways and coastal shipping by the principal steamer companies but there is a total lack of information about the much larger volume of traffic moved over the river routes by country craft. The Railways, however, form the backbone of the communication system of the country and an appreciation of the part played by them during recent years may first be taken up.

2. It is admitted that the Railways are not in a position at present to carry all the traffic that is offered currently. Recently an attempt was made to estimate in terms of wagon loads the extent to which current demands were not being satisfied as the result of existing handicaps viz., shortage of wagons and special types of rolling stock, limited line capacity over different sections and limited movement facilities via certain B. G. junctions and limited transshipment facilities at several break-of-gauge transshipment points. The average number of wagons loaded daily during the last six years are shown below:—

Year	BG	MG	Total
1948-49	9,846	5,209	15,055
1949-50	11,095	6,358	17,453
1950-51	11,059	6,572	17,631
1951-52	11,559	7,123	18,682
1952-53	12,038	7,194	19,232
1953-54	11,886	6,874	18,760

From the above it will be seen that there was a progressive increase in the number of wagons loaded right up to 1952-53. The movement of traffic during 1953-54, however, suffered a serious setback due to certain abnormal reasons over which the Railways had no control.

3. The statement at Appendix I showing the daily average loadings and the outstanding registrations in terms of wagon loads on the last date of each month of the year 1953-54 will give a rough idea of the excess of the demands over actual loadings during that 12-month period. The figures of outstanding registrations are likely to be inflated as it is a common practice for indentors to register for more wagons than are actually required. The figures also include demands registered on the last day. From these figures it would appear that 3 or 4 days' demands on B.G. and 8 to 10 days' demands on M.G. are left unsatisfied at the end of the month. Ordinarily, outstanding registrations on any day equivalent to about two days' average daily loading are considered to be a normal feature in the exigencies of railway transport provided, of course, the movement in all directions is equally free. Compared with the average monthly loadings, the average outstandings on the B.G. and M.G. represent a short-fall of 11 per cent and 24 per cent respectively. On the whole, the short-fall in meeting the current demand over the whole railway system might be estimated at about 10 per cent after making allowance for inflated registrations. We should like to point out that this estimate of short-fall does not take into account the potential demand which is at present unsatisfied, due to restrictions on bookings to destinations reached via limited junctions and transshipment points.

4. Another factor that has to be remembered is that in India the average registrations during the busy period, which extends over seven months, are twice the registrations during the slack season. The overall deficiency in wagons and power is, therefore, felt twice as severely during the busy period and is much worse on railways where outstanding registrations are 12 to 13 times the daily loadings instead of the average of 5 times the daily loadings. This explains to a large extent why the general public including the representatives of trade, commerce and industry constantly complain about the shortage of transport.

5. To meet this shortage, the Railways have found it necessary to ration the available capacity in such a way as to ensure that all goods, which are essential for the general economy of the country, are moved adequately. Until about the middle of August 1953, such rationing was based generally on the relative importance and urgency of the requirements of various commodities which were arranged in numerical order of preference. When the demands in higher classes were heavy the movement in lower classes and non-preferential classes had to be severely curtailed. From certain areas, non-preferential traffic hardly moved at all for fairly long periods to the great detriment of the local economy of the areas concerned. As a remedial measure, a revised procedure was introduced sometime back which, while ensuring the planned movement of essential commodities like raw materials for and finished products from certain basic industries, also provided for the movement of commodities in varying degrees according to the conditions obtaining on the different Railways at different times. This was achieved by allotting specific quotas on a preferential basis for traffic otherwise classified as non-preferential. The main objective of the revised procedure is that all kinds of traffic should have some

share of the available rail transport. Although the commencement of the slack season more or less coincided with the introduction of the revised procedure, it is claimed that its efficacy has not been found wanting even during the busy season from December to May in spite of the fact that the demands for rail transport during such a season are very heavy—particularly for traffic in sugar-cane, sugar, foodgrains, jaggery, timber and building materials, when it is never feasible to meet them currently. This revised procedure may have resulted in reducing the difficulties to some extent. It is possible, however, that even this procedure may not help the smaller industrial units and consumers and distributors depending on the movement of "smalls."

6. About five years ago an assurance was given to the basic industries like iron and steel, cement and textiles that their transport requirements for moving raw materials as well as their finished goods would be met fully. The requirements for transport of these three industries are planned in advance every quarter in consultation with the industry and every effort is made to meet them. The extent to which such plans are fulfilled is reviewed by a Standing Committee of the Central Board of Transport—an inter-departmental Committee of the Government of India—at its monthly meetings. From the statement at Appendix II showing the demand for and the loading of wagons for these three industries during the year 1953-54 it will be apparent that the iron and steel and the cement industries have been well-served, on the whole though the movement of the finished products of these industries to areas affected by such well-known bottlenecks, as ferry transshipment over the Ganga, change of gauge transshipment points at Agra East Bank, Sabarmati, Viramgam and the East Coast line from Waltair to Madras has fallen short of the full requirements. The supply of wagons to the textile industry for the movement of cloth and yarn was also not quite satisfactory.

7. The Standing Committee of the Central Board of Transport has also been reviewing from month to month the movement of foodgrains, fertilisers, salt, sugar and coal. Practically every year, special arrangements have had to be made for the movement of imported foodgrains as well as cross-country movements from surplus to deficit regions. These movements have been largely responsible for limiting the transport of other commodities. With the easing in the food position and the reduction in the imports of foodgrains it is hoped that the Railways will be able to release more and more wagons for other commodities.

8. In a questionnaire which the Study Group distributed to over 300 manufacturing establishments in and around important industrial centres like Bombay, Calcutta, Madras, Kanpur, Ahmedabad and Delhi the following specific questions were put to them:—

"If you are dependent on rail transport for moving your raw materials and finished products, have your demands been fully satisfied during 1953? If not, what was the extent of shortage expressed in terms of wagons or maunds per day, per month separately for each source of supply? Only firm indents placed for wagons should be taken into account."

Only 70 establishments sent a reply and among them only a very few gave any specific figures of shortage. Those who replied include several of the important establishments and represent a cross section of Industry. The replies given by them to these questions are reproduced in Appendix III. These indicate a greater feeling of satisfaction with the performance of the railways than what was anticipated. However this satisfaction is felt only by the larger industries. The small industrial establishments despatching or receiving only less than wagon load traffic (commonly referred to as "smalls") are experiencing some difficulty, as indicated in the replies.

9. While the position with regard to supply of transport for basic industries was, in the circumstances, fairly satisfactory, there have been persistent complaints regarding inadequacy of transport from industry and trade generally.

10. To get an idea of the extent of transport shortages and bottlenecks experienced in the country during the last 2 or 3 years resulting either in the country's requirements for various essential commodities not being fully met or in their industrial and other expansion programmes being hampered, as also with a view to assessing the transport demands likely to arise as a result of agricultural and industrial production targets envisaged in the First Five-Year Plan, Sri K. C. Neogy, Member Industry and Transport, Planning Commission addressed a communication to the State Governments in September 1953. In reply to this communication the State Governments made several specific complaints in regard to the shortage of transport in their respective areas. We attached considerable importance to these representations and requested the Ministry of Railways to examine them in detail and give their comments. The points made in the letters from State Governments fall into the following categories:

- (a) General complaints in regard to coal for brick-burning and Soft Coke.
- (b) Specific complaints regarding transport shortages and bottlenecks highlighted by the State Governments.
- (c) Future expansion programmes of certain industries in the private sector.
- (d) Demands for new railway lines put forward by various State Governments.

Certain other specific complaints regarding transport shortages were also made in the evidence before the Study Group. The comments of the Ministry of Railways on all these complaints and suggestions are given in the next chapter.

CHAPTER III.—Comments of the Railways on the complaints and criticism by State Governments and others regarding inadequacy of rail transport capacity.

General complaints made by the State Governments in regard to Coal for brick burning and soft coke.—The Planning Commission have stressed that facilities should be available for moving adequate quantities of coal for brick-burning and soft coke as these two items are intimately connected with constructional activity. Besides the increased supply of these items will lead to the conservation of forest wealth and saving of cow dung for manurial purposes. Under the present system, the Railways place a bulk of supply of wagons at the disposal of the Coal Commissioner, who works under the Ministry of Production. But the Railways are not in a position to meet the full requirements of consumers as assessed by the Coal Commissioner.

2. Soft coke and brick-burning coal are despatched mainly from the Bengal and Bihar coalfields. The despatches of coal to places above Moghalsarai, however, have been progressively increasing as would be apparent from the following comparative figures for the years 1952, 1953 and 1954:—

Average daily number of wagons loaded with coal moved *via* West of Moghalsarai.

	1952	1953	1954
January	864	1088	1003*
February	934	1062	814*
March	963	1113	1264
April	998	1074	1179
May	999	1076	1149
June	1003	1028	1169
July	1008	1085	1212
August	1023	1071	1297
September	1134	1194	1224
October	1165	1244	1309
November	1192	1221	1271
December	1129	1184	1164
Average	11034	1120	1179

*Decrease due to regulation of goods traffic on account of Kumbh Mela.

3. The number of wagons supplied and loaded with coal from the Bengal and Bihar coalfields had been appreciably in excess of this minimum guarantee in 1952, 1953 and 1954 as well be apparent from the following figures:—

	Average daily loading.-		
	1952	1953	1954
January	2935	3119	2874†
February	3047	3054	2865†
March	2998	3210	3061†
April	3087	3111*	3111
May	3037	3039*	3092
June	3010	3033†	3118
July	3108	3034†	3351
August	3444	3020†	3558
September	3321	3222†	3593
October	3390	3351†	3432
November	3330	3208†	3263
December	3270	2885†	3145
Average	3144	3112	3205

*But for the difficulties in operation that arose from the abnormal heat during the summer this year the loading might have been better.

†Due to lack of indents for industrial area and down country, rail transport available for movement to these directions was not fully utilised. During November and December 1953 for some of the limited routes viz. *via* Waltair, *via* Ajni, *via* Katr ti and *via* cheoki, coal traffic was not offering on some days to the extent rail transport for it was made available.

‡Decrease due to regulation of goods traffic on account of Qambh Mela.

4. The loadings from other collieries put together were as under:—

	1952	1953	1954
January	700	731	791
February	719	703	779
March	671	693	761
April	705	722	786
May	712	693	753
June	681	641*	779
July	715	647	781
August	695	676	787
September	719	761	826†
October	693	783	723
November	705	687	815
December	738	769	837
Average	704	710	785

*The loading would have been appreciably better but for the strike in the Singareni coalfields.

†Approximate figure.

5. It is true however that the demands for *via* Moghalsarai throughout the year and the demands for *via* Waltair and, to some extent for *via* Ajni during the busy season are more than what can be met in view of the limited capacity for movement through these routes. It will be seen from the particulars given in a subsequent chapter that action is being taken to augment the total movement capacity not only by all these routes, but also the loading targets of the collieries concerned.

6. Part 'A' States.—ORISSA.—Specific complaints highlighted by State Governments.—The Orissa Government stated that the general supply position of wagons was not unsatisfactory during the years 1952 and 1953 except in the case of cement and C.C. Sheets.

(a) **Cement.**—The State Government have stated that against their requirements of 15,000 to 20,000 tons per quarter, they have been receiving allotments of 7,500 to 9,000 tons only per quarter. The complaint apparently refers to inadequate allotment made by the Ministry of Commerce and Industry for the requirements of this State and not to the supply of wagons by the railway itself to the factories. The movement of cement is arranged under item 'D' of the Preferential Traffic Schedule in accordance with the quotas fixed by the Central Board of Transport. The Orissa Cement Co. Ltd., Rajgangpur, (the only factory situated within Orissa) had, however loaded a total of 1,286 wagons in the quarter ending December 1953 against their indent of 1,343 wagons. While the shortfall here is partly due to indents for restricted routes and junctions, the limiting factor is pilot capacity of only 25 wagons a day on this section, which will be increased as soon as more locomotives become available. With regard to loading from other cement factories situated within Bihar (an adjacent State) reference is invited to remarks under para 7(d) below.

(b) **C.C. Sheets.**—Against their requirements of 390 tons per quarter, the allotments received have been stated to be 100-200 tons only per quarter. Here too the complaint refers to inadequate allotment made by the Ministry of Commerce and Industry. As the total requirements are very small, the Railways do not anticipate any difficulty in meeting the same provided this State can obtain increased allotments from the Commerce and Industry Ministry.

(c) **Slack coal and sort coke.**—The State Government have stated that the allotment of brick-burning coal was adequate but having regard to future possibilities they desired an increase in allotment from 90 to 125 wagons monthly for brick-burning coal (slack) and from 45 to 90 wagons per mensem for soft coke. The increase asked for is negligible and the Railways would not apprehend any difficulty in meeting it after the capacities for loading coal from various collieries have been increased.

7. MADHYA PRADESH.—The State is not generally satisfied with the service rendered and the facilities offered by the railways and have referred to complaints of shortage of wagons for manganese ore and timber. They reported that stocks of potteries, glassware and sewage pipes had accumulated in Jubbulpore area and stocks of cotton seed cake had accumulated in Berar. According to them, difficulties of transport on the narrow gauge Dhamtri-Rajpur

line and in the portions of Yeotmal District resulted in loss of foodgrains to the extent of 10,000 tons per annum. They ascribed the transport difficulties to lack of capacity on the Itarsi-Amla section of the Central Railway and in the marshalling yard at Katni. There were no complaints regarding brick-burning coal. According to the State Government, if adequate transport facilities were assured, the production of domestic coke could be stepped up in the Central India and Kanhan Valley coalfields.

(a) **Manganese Ore from E. Railway.**—The present target for the movement of manganese ore from Madhya Pradesh and Waltair District is 2 trains daily to Vishakapatnam Port and 1 train daily to Bombay or approximately 3,000 wagons per month to Vizagapatnam Port and 1,500 wagons per month to Bombay Port at 50 wagons per train. Particulars of movement during the last twelve months ending August 1954 to these ports are given below:—

Month	To Vishakapatnam			To Bombay		
	Trains	Total wagons including casual movements.	No. of wagons including casual movements. Target 3000	Trains	Total wagons including casual movements.	No. of wagons including casual movements. Target 1500
September 1953	64½	..	..	29½	..	..
October 1953	53½	2574	..	38	1788	..
November 1953	48½	2588 (1)	..	20	1047	..
December 1953	43½	2571 (2)	..	22½	1051	..
January 1954	38	2041 (3)	..	25½	1237 (4)	..
February 1954	40	2119 (5)	..	16	792 (6)	..
March 1954	26	1636 (7)	..	16½	832 (8)	..
April 1954	29½	1769 (7)	..	10	456 (9)	..
May 1954	28½	1478 (10)	..	14½	819 (4)	..
June 1954	31½	1477 (11)	..	21	939 (12)	..
July 1954	36	1799 (13)	..	25	1220 (4)	..
August 1954	38	1845	..	22	912 (4)	..

NOTES:—The reasons for movements being below the targets are detailed below:—

- (1) Less receipts of empties from C. Railway viz. Ajni.
- (2) Paucity of stock.
- (3) Less demands and high balance of loads for Vishakapatnam port as a result of increased rice movements for Travancore-Cochin by rail-cum-sea route and inadequate shipping position.
- (4) High balance of via Nagpur loads necessitating allotment being controlled on several occasions.
- (5) Less receipt of empties from C. Railway at Ajni and allotment from Madhya Pradesh being controlled due to increased movements of foodgrains from Vishakapatnam port.
- (6) No allotments made during the 3rd period of this month on account of operational difficulties.
- (7) Preference given to Coal.
- (8) Heavy movement of fertilizers via Nagpur.
- (9) High balance of via Nagpur loads and other operational difficulties.
- (10) Shortage of empties for movement of traffic under item E on Bilaspur District.
- (11) Short supply of wagons on 25 June, 1954 when only 50 wagons were allotted against an indent of 71.
- (12) Increased movement of Government stored foodgrains from Madhya Pradesh to Bombay during first two periods of the month.
- (13) On 2 July, 1954 no wagons could be allotted against an indent of 54 from Madhya Pradesh. Allotment of manganese ore from Waltair was again nil due to no indent.

Although the movements have been below the targets for reasons enumerated above, the principal limiting factor was the fact that Vishakapatnam Port had been holding heavy stocks of manganese ore awaiting shipment as will be evident from the following figures pertaining to the last date of each of the above months:

	tons.		tons.
September 1953 .	1,62,922	March 1954	1,60,246
October 1953 .	1,59,315	April 1954	1,53,966
November 1953 .	1,46,782	May 1954	1,76,004
December 1953 .	1,57,342	June 1954	1,71,510
January 1954 .	1,49,449	July 1954	1,55,799
February 1954 .	1,51,354	August 1954	1,63,360

Even at present there is line capacity available for an additional train over the Raipur-Vizianagram section to Vishakapatnam Port. In the works programme for 1954-55 facilities have been included to increase the capacity on this section by another two trains to synchronize with the completion of the fourth berth, which is being constructed at Vishakapatnam Port. When these facilities are completed it should be possible to increase the movement of manganese ore to Vishakapatnam Port still further subject to availability of rolling stock.

(b) Coal from Eastern and Central Railways coalfields.—So far as movements ex-Central India Coalfields (Eastern Railway) are concerned, the Railways have plans for increasing the loading target from 295 to 400 wagons a day. The shortfall here is due to limited capacity of movement via Ajni, which is also being increased from 275 to 320 wagons a day. Champa-Korba branch is being constructed to provide for an additional movement of about 100 wagons a day.

So far as Pench Valley coalfields (Amla-Junner Deo branch of Central Railway) are concerned, the loading target is being increased from 210 to 300 wagons a day so as to meet the present shortfalls and increased production after additional sources are tapped in the areas beyond Parasia.

In regard to Chanda Valley collieries (Chanda and Balharshah areas of Central Railway), these have not been producing coal upto the targets fixed by the Railways, viz. 65 wagons per day on week days and 10 wagons on Sundays, although spare capacity is available to handle increased production. The average loading has been only about 40—45 wagons per day on working days.

When the above increases materialize the State Government can obtain their full requirements not only of 40 wagons per diem of soft coke, but also of other coal from these collieries, thereby incidentally also enabling them to save their forest wealth by stopping exports of charcoal to Bombay and Delhi.

(c) Cotton, cotton-seeds and oil cake from Central Railway.—The position is explained below separately for each item:—

(i) Cotton.—The approximate production in Madhya Pradesh is about 12 lakh bales during the season (from November to May)—each of 392 lbs. This means the use of 14,285 wagons in 7 months @ 8½

bales—400 mds. per wagon, or approximately 70 wagons per diem—distributed as under:—

Bombay area	55% = 6,60,000 bales
Western Railway (Amendment) etc.	10% = 1,20,000 „
Kanpur area	8% = 96,000 „
Southern Railway	10% = 1,20,000 „
Ex. B. N. Railway	10% = 1,20,000 „
Other destinations	7% = 84,000 „
<hr/>	
TOTAL	100% = 12,00,000 bales
<hr/>	

The movement to Bombay, Ahmedabad and Kanpur areas and to South India is arranged by block loads, and no difficulty is experienced in catering for the entire crop of the season not only to these areas, but also to ex-B.N. Railway and other destinations. The only difficulty that is experienced is in regard to despatches to MG stations of Western Railway via Khandwa, Sabarmati and Viramgam. At present, special arrangements are made by the Central Railway with Western Railway for allotment of ad-hoc quotas for movement of this traffic. The capacities for break-of-gauge transshipment at Sabarmati and Viramgam are, however, being increased from 120 to 175 and 60 to 125 wagons a day. As the movement of cotton, other than for mills, comes under item 'E' of the revised Preferential Traffic Schedule (cotton for Mills falling under item 'D'), the movement is subject to occasional delay when the operating position is not favourable.

(ii) **Cotton seeds.**—Approximately 5,000 wagon loads are required to be moved from Madhya Pradesh during the season of 7 months, or approximately 28 wagons per day. As this falls under item 'E' of the Preferential Schedule, the movement is subject to delay as cotton for mills, which falls under item 'D' of the schedule and which has also to be moved in the same season, takes priority over cotton seed. The movement of cotton seeds is principally to New Delhi area and beyond, Rajasthan and Saurashtra. Although demands for movement to New Delhi and beyond are not promptly satisfied in full due to limited availability of power and wagon supply, adequate quantities are all the same moved by spreading the movements over the season. The movement to Rajasthan is hampered due to limited capacity of transshipment of 9 BG wagons a day via Khandwa. The movement to Saurashtra is also hampered due to limited transshipment capacities via Sabarmati and Viramgam, which are, however, being increased as stated under item (i) above.

(iii) **Oil cake.**—As this traffic also falls under item 'E' of the Preferential Schedule, the movement meets the same treatment as cotton seeds traffic. A good proportion of this traffic moves to sugar

factories on Manmad-Dhond section of Central Railway. In the past some difficulty was experienced in despatching this traffic over that section due to heavy movements of Government sponsored hay and foodgrains, but the movement is now fluid. The shortfalls here too are partly due to limited movements via Ajni, the capacity of which is being increased from 275 to 320 wagons a day.

(d) **Cement from Central and Eastern Railways.**—The complaint apparently refers to inadequate allotment for the requirements of this State and not to supply of wagons to the factories by the Railways. The movement of cement is arranged under item 'D' of the Preferential Schedule in accordance with the targets fixed by the Central Board of Transport. The position of supply of wagons to cement factories situated not only within Madhya Pradesh but also within the neighbouring States of Orissa and Bihar supplying to Madhya Pradesh is shown below :

A.C.C.'s factory at Kymore on Central Railway (Madhya Pradesh).—The present quota is 55 wagons per day and necessary loading is maintained upto the quota although Jubbulpore Division is a deficit area for empties. The loading is both towards Bombay side and to the N/E Railway via Chheoki. To cope with the recent increase in production, additional facilities have been provided at Jukehi yard. The capacity of Itarsi-Bhusawal-Igatpuri section is also being increased by 2 goods trains each way to allow for greater movements of cement to Bombay side. The capacity via Chheoki is also being increased from 190 to 240 wagons per day to permit of increased movements of cement to Eastern Railway via Northern Railway at Chheoki.

The requirements of wagons to the cement factories situated within Orissa and Bihar are being met more or less fully.

(e) **Lime and Limestone ex-Central Railway.**—This traffic originates on Jubbulpore Division to Katni, Maihar, Satna and Jukehi and is mostly despatched to sugar mills on the N. E. Railway and Manmad-Dhond Section of Central Railway, Calcutta and Bombay areas. The traffic to sugar mills on the N. E. Railway moves under item 'C' of the Preferential Schedule, whereas all other movements are under item 'E'. Although Jubbulpore Division is a deficit area for empties, open empties from this area have to be rushed to Eastern Railway via Katni Murwara for loading from Central India coalfields with a view to maintaining equalization. Hence, covered empties for lime and limestone traffic have to be rushed all the way from Bhusawal and Bombay divisions—the loading being thereby arranged according to the availability of such empties. Permission has however been since given to Central Railway to work 30 covered empties daily from Jhansi-Agra area by withdrawing these from Northern Railway receipts and substituting same by open empties available with Central Railway in the Agra area. Capacity is no doubt available for dealing with all the requirements of this traffic for the directions mentioned above. With the expansion of Jukehi yard, no difficulty whatsoever is expected to move this traffic on Kymore-Jukehi section.

(f) **Food-grains from Eastern and Central Railways.**—The position with regard to movements from each section concerned is detailed below :—

Section	Remarks
Raipur-Dhamtari (NG) branch of Eastern Railway.	The total loading both of Government sponsored and trade account foodgrains (Rice, Wheat and Maize) and other grains and pulses during 1953 was 3593 wagons against an indent of 3740. Though there have been delays in complying with demands, the clearance has generally been satisfactory. The train service on this section consists at present of 2 mixed and 1 goods train from Dhamtari and 1 mixed train from Rajim. A second goods train is run from Dhamtari occasionally as power position permits. With the receipt of more locos, the second train from Dhamtari can be run regularly when there will be no difficulty in clearing all the traffic offering on this branch. Until this materializes, the present freight transport road services operating between Raipur and Dhamtari may be developed.
Wardha-Balharshah Section of Central Railway. Wardha-Badnera Section of C. Railway.	Food-grains on trade account move under item 'E' of the Preferential Schedule. Block loads are arranged from the first three sections to South India via Balharashah-Kazipet-Bezwada or Balharshah-Kazipet-Wadi-Raichur whenever the position of empties is favourable. Block loads are also arranged to Bombay area from Jubbulpore-Itarsi section whenever the position of empties permit. The movement from Badnera-Bhusawal and Badnera-Amraoti is generally adequate due to the larger number of inward released wagons being available in this area. Capacities for movements over all these sections are being increased whenever they are short of demands.
Badnera-Bhusawal Section of Central Railway.	
Badnera-Amraoti Section of Central Railways.	
Jubbulpore-Itarsi Section of Central Railway.	

(g) **Forest produce like Timber, Firewood and Charcoal from Eastern and Central Railways.**—Timber moves mostly to South India and New Delhi. Charcoal and Firewood move locally within the State and some charcoal also moves to Bombay. The movement of all these is arranged under item 'E' of the Preferential Schedule with the exception of charcoal when sponsored by the Bombay Government and Timber and Firewood within the State when sponsored by Divisional Forest Officers when they move under item 'C'.

The position with regard to movements from different sections is detailed below :—

Section	Remarks.
Bilaspur Transportation District (E. Railway).	The total allotment during September to December, 1953 for Timber was 1102 wagons against an indent of 1402. The outstandings were mainly due to demands for destinations over limited and restricted routes particularly for the M.G. Sections. There is also occasional shortage of wagons during the busy season when available empties have to be used for coal loading from Central India coalfields before meeting other demands. With the increased allotment of rolling stock and with our various plans for increasing line and break-of-gauge transshipment capacities, greater movements will take place.

Section	Remarks
Jubbulpore-Itarsi (Central Railway.) Itarsi-Amla (Central Railway) Itarsi-Bhusawal (Central Railway) Wardha-Balharshah (Central Railway)	There is no difficulty in movement of this traffic under item 'C'. Some delays do occur when the movement is under item 'E'. The movement of Timber and Firewood under item 'E' is generally satisfactory except from the Jubbulpore-Itarsi section due to occasional shortage of empties. The shortfalls also sometimes occur from Itarsi-Amla section due to the capacity of this section being used for coal from Pench Vally coalfields. This is however being increased. The shortfalls from Wardha-Balharshah section also occur due to shortage of empties (which are being used for coal from Chanda and Balharshah areas) although spare capacity is available over this section for increased coal movements. The movement of charcoal ordinarily takes place on a daily quota basis except when it is sponsored by Bombay Government when there is no difficulty in its movement under item 'C'. The movement from Jubbulpore Itarsi-Itarsi-Amla and Wardha-Balharshah section is arranged in block loads when the position of empties is favourable. The difficulties in the movement of all forest produce will be greatly eliminated when additional wagons are received.

(h) **Refractories, Potteries, Firebricks, Glassware and Sewage pipes from Jubbulpore area.**—The movement of this traffic takes place under item 'E' of the Preferential Schedule, principally from Jubbulpore and Katni sections of Central Railway and Nainpur District (M.G.) of Eastern Railway. The movements from Central Railway stations is arranged under daily quota basis, but, due to Jubbulpore Division being deficit for empties, occasional shortage takes place when there are heavy demands for movement of traffic falling under item 'C' and 'D'. Ad-hoc movements are, however, arranged to make good the shortfalls and the movement at the moment is generally satisfactory. So far as movements from Nainpur District (MG) of the Eastern Railway are concerned, there has generally been no difficulty in meeting demands and indents are current except in the case of restricted routes via the B.G. including traffic involving transshipment at Jubbulpore.

8. **BIHAR.**—This State has complained of inadequate transport facilities for movement of iron and steel, cement, slack coal for brick-burning, soft coke and road metal principally on account of bottlenecks caused by transshipment over the ferries at Sakrigalighat/Maniharighat, Bhagalpur and Mokamehghat. The demand for soft coke in urban areas is reported to be at least double the allotment of 800 wagons a month. It has also been stated that movement of road metal via Mokamehghat and Sakrigalighat represented only 40 per cent. and 5 per cent. of the demand respectively. The State Government has complained of shortage in supply of wagons for slack coal and soft coke, iron and steel and cement. The existing quotas and daily average releases in terms of B.G. wagons during the last 12 months from September 1953 to August 1954 for

the entire traffic moving both on account of Bihar, Assam and West Bengal via the three ferry transshipment points are given below:—

Releases in terms of B.G. wagons ex. E. Rly to N. E. Rly.

Via	Month	Quotas			Releases		
		Coal	Goods	Total	Coal	Goods	Total
Sakrigali Ghat	September 1953	..	43	43	..	42	42
	October 1953	..	43	43	..	37	37
	November 1953	..	43	43	..	26	26
	December 1953	..	30	30	..	31	31
	January 1954	..	30	30	..	31	31
	February 1954	..	40	40	..	45	45
	March 1954	..	45	45	..	47	47
	April 1954	..	45	45	..	44	44
	May 1954	..	45	45	..	43	43
	June 1954	..	45	45	..	40	40
	July 1954	19	55	74	8	45	53
	August 1954	10	55	65	18	34	52
TOTAL		29	519	548	26	465	491
DAILY AVERAGE		2	43	45	2	39	41
Bhagalpur	September 1953	29	10	39	24(15)	10	34
	October 1953	29	10	39	21(12)	10	31
	November 1953	29	10	39	11(6)	8	19
	December 1953	29	10	39	12(5)	10	22
	January 1954	29	10	39	9(4)	6	15
	February 1954	29	10	39	9(5)	8	17
	March 1954	29	10	39	20(11)	12	32
	April 1954	29	10	39	21(14)	13	34
	May 1954	29	10	39	23(13)	10	33
	June 1954	29	10	39	19(10)	8	27
	July 1954	19	11	30	18(8)	9	27
	August 1954	19	11	30	19(6)	5	24
TOTAL		328	122	450	206(109)	109	315
DAILY AVERAGE		27	10	37	17(9)	9	26

Via	Month	Quotas			Releases		
		Coal	Goods	Total	Coal	Goods	Total
Mokameh Ghat	September 1953	50	73	123	43(15)	65	108
	October 1953	47	78	125	46(14)	76	122
	November 1953	48	79	127	42(12)	69	111
	December 1953	54	79	133	56(19)	76	132
	January 1954	55	78	133	33(12)	54	87
	February 1954	55	79	134	51(17)	70	121
	March 1954	56	64	120	48(24)	64	112
	April 1954	54	58	112	44(19)	66	110
	May 1954	54	58	112	48(18)	67	115
	June 1954	50	63	113	39(14)	52	91
	July 1954	44	71	115	45(15)	52	97
	August 1954	42	73	115	40(14)	54	94
TOTAL		609	853	1402	535(193)	765	1300
DAILY AVERAGE		51	71	122	44(16)	64	108

NOTES:— (1) Figures in brackets refer to public coal.

(2) The present quotas are however 45, 36, and 115 B.G. wagons a day viz. each of the above three transshipment points respectively i.e. a total of 196 BG wagons.

Although the above quotas have been fixed strictly in terms of the maximum crossings permissible over each of these routes commensurate with the availability of the steamers and the capacities of flats/barges (Sakrigalighat/Maniharighat 3 flats \times 21 = 64 M.G., Bhagalpur 6½ flats \times 14 = 91 M.G. and Mokamehghat 16½ flats \times 17 = 280 M.G.), the principal reasons which generally cause short-fall in movements as compared to quotas are detailed below :—

- (i) Shifting of the ghats.
- (ii) Lesser crossings of flats/barges due to narrowing down and silting of channels and shallow water.
- (iii) Congestion due to inadequate supply of M.G. empties.
- (iv) Offering less than the quotas due chiefly to the inability of the State Governments to secure allotments particularly for iron and steel and cement commensurate with quotas from the Ministries concerned.

There is however no difficulty in the movement of jute from M.G. to B.G. provided the movements are evenly spread out.

All these difficulties will however be largely removed with the construction of the proposed bridge over the Ganga at Mokameh already sanctioned and expected to be completed by the middle of 1958. In this scheme, provision has been made for a new transshipment yard at Barauni with a capacity for transshipment of 300 BG wagons daily against the combined quota of about 196 wagons only for all the three existing transshipment points and 115 only via Moka-

meh Ghat. While Bhagalpur transshipment will be retained the capacity of transshipment *via* Sakrighat/Manihari Ghat is proposed to be considerably increased by replacing the existing arrangement by the establishment of a wagon-ferry.

9. MADRAS (including Andhra).—This State has complained of inadequate transport facilities for the following commodities. The remarks of the Railway concerned are shown alongside each:—

(a) **Coal and general goods.**—This State has stated that during the latter part of 1951 and the beginning of 1952, the existence of movement restriction created difficulties in the Madras State in regard to coal and other products with the result that steam coal, slack coal and hard coke were allowed to be imported by the sea route—thereby raising its price from Rs. 50/- to Rs. 70/- 75/- per ton. At present the movement of any additional quantities in coal and other general goods by rail is difficult due to the limited capacities of movements *via* Waltair and Raichur to Madras and on Bezwada-Madras section (which have to be used for essential traffic such as coal, foodgrains, steel, sugar, etc.). These capacities are however expected to be increased considerably by March 1956. While these increased capacities will be expected to meet the anticipated requirements for all commodities, the requirements for additional movement of coal by all-rail route will still not be fully met. These latter must of necessity therefore continue to move by rail-cum-sea route.

(b) **Cotton seeds.**—Increased movements are difficult due to limited capacities *via* Raichur and *via* Dronachalam on the Metre Gauge and over Dharmavaram-Pakala section. Steps are however being taken to augment the same.

(c) **Brick-burning coal.**—Although the present requirements on the basis of bricks is about 756 wagons \times 20 tons=15120 tons per annum, the State Government estimates their future requirements during the next two years to be about 30,000 tons per annum. This however means only about 2 wagons extra *per diem* and there should be no difficulty on the part of the railways in meeting this additional demand after the increases in capacity referred to above have materialised.

(d) **Soft Coke.**—The State's future requirements have been estimated to be about 2280 tons against their quota of 1944 tons per annum. As the increase asked for is negligible *viz.* about 1 wagon extra *per mensem*, no difficulty is anticipated in meeting this demand.

10. ASSAM.—This State has seriously complained of inadequate transport facilities provided for movement of essential goods, particularly cement and steel (GCI sheets) ex. BG to MG primarily due to the quotas allotted for transshipment over the Ganga ferries and for movement over the Assam Rail Link being absolutely meagre and far below their requirements by about 25 to 30%. The total average **monthly** quotas and allotments made by the Director of Rail Movements, Calcutta, on account of Assam Government in terms of B.G. wagons ex. Eastern Railway *via* each of the three ferry

transshipment points during the year ending August, 1954 are appended below :—

Average monthly quotas and allotments made by Director Rail Movements, in Calcutta on account of Assam Government in terms of BG Wagons ex E. Rly via each of the three transshipment points during the last one year ending August 54.

Via	Year ending August, 1954		Year ending November, 1953	
	Quota	Allotment	Quota	Allotment
Sakrigali Ghat (a)	357	371	232	260
Bhagalpur (b)	26	16	20	7
Mokameh Ghat (c)	84	82	97	88
TOTAL	467	469	347	356

NOTES:—(a) The figures quoted here pertain to movement of not only Cement (present quota = 180 wagons per month) but also general goods traffic sponsored by the Trade Adviser to Assam Government and foodgrains sponsored by the Regional Food Commissioner, Government of India (present quota for these two items being 270 wagons per mensem).

(b) These figures pertain to the movement of cement sponsored by the Trade Adviser to Assam Government (present quota = 30 a wagons per mensem).

(c) These figures pertain to movement both of cement (present quota = Nil) and GCI sheets (present quota = 15 wagons per month) sponsored by the Trade Adviser to Assam Government.

It is, however, a fact that the actual movements have fallen below the quota allotments, principally due to the reasons enumerated under Bihar in para 8 above and partly also, in the case of cement, due to the inability of the factories concerned viz. Dalmianagar, Japla and Jhinkpani to utilize the allotted quotas on Sundays and holidays.

The same reasons as above apply to the inadequate movement of Forest produce ex. M.G. to B.G., which is further hampered on account of paucity of special type stock. There is, however, no difficulty in the movement of Jute, ex-M.G. to B.G. if the movements are evenly spread out.

All these difficulties, will however, be largely eliminated by the contemplated increase in the capacity of Assam Rail Link (Katihar-Siliguri and Siliguri-Alipur Duar sections) and the construction of a bridge over the Ganga at Mokameh and introduction thereafter a wagon ferry at Sakrigali-Maniharighat and other interim arrangements mentioned in para 8 above under 'BIHAR'.

11. WEST BENGAL.—The State Government have complained about the inadequate allotment and actual arrivals of wagons for domestic coal, brick-burning coal, and industrial coal. They have also referred to the special problem of maintaining supplies to North Bengal districts which are served by the Assam Rail Link and the Ganga ferries. A reference has also been made to complaints regarding inadequate rail transport for movement of jute from North Bengal to Calcutta. The State Government have also referred to the deterioration in the transport position over the eastern zone in the third quarter of the year 1953.

(a) **Industrial coal, slack coal, soft coke and general goods ex-Eastern Railway.**—So far as coal and soft coke are concerned, there

is adequate line capacity for movement to down country and industrial area in the coalfields, but added wagon facilities will be required if an overall increase has to be provided for in the coal loading targets from Bengal/Bihar coalfields from 3,000 to 3,500 wagons per day (180 additional wagons per day for Down Country and 140 additional wagons per day for industrial area.)

It is however difficult at present to deal with any increase in moving additional coal and other general goods traffic to North Bengal *via* the transshipment ferry points for reasons already explained under Bihar and Assam—*vide* paras 8 and 10 above—unless the facilities mentioned therein (*viz.* construction of a bridge over the Ganga at Mokameh, a wagon ferry at Sakrigali/Manihari-ghat thereafter and contemplated increase in the capacity of Assam Rail Link) are ultimately provided.

(b) **Timber and Jute ex. M.G. to B.G.**—The remarks given under Bihar and Assam apply equally also to the Timber traffic, the movement of which is further hampered due to paucity of special type of stock. There is, however, no difficulty in the movement of Jute if these movements are evenly spread out.

12. **BOMBAY.**—The Government of Bombay have complained that the movement of goods by rail in the State has not been generally satisfactory. Several works on the construction of missing links of National Highway No. 8 and other road works in Gujarat were reported to have been hampered owing to the shortage of wagons for the transport of the coal required. The construction work at Ahmedabad under the Industrial Housing Scheme was also said to have been affected owing mainly to the non-availability of wagons. Despatches of soft coke, steam coke and hard coke have also been much less than the quota allotted to Bombay. The trade in perishable goods in the southern coastal parts of the State has been seriously affected causing considerable loss, principally owing to the inadequacy of transport facilities and refrigerator-van services. Various minerals, for example, iron ore, etc., have not been moved from Kanara region to the shipping centres.

(a) **Slack Coal (for brick-burning), soft coke and industrial coal (steam and hard coke).**—The following details of shortfalls and future requirements have been supplied by the Government of Bombay:—

	Monthly quota	Shortfall	Requirements
Slack coal	300 wagons (December 1950 to May 1952).		As brick kilns work only from September to April the entire quota should be made available during the working season—instead of being spread over 12 months. Anticipated requirements 1200 wagons per mensem for 5 months in the year only.
Soft Coke	500 (July to November). 395 (December to June).	10%	500 wagons per mensem throughout the year.

So far as the Railways are concerned, it is difficult to deal at present with any increases in the despatch of coal to Bombay due to limited capacities of movement *via* the following routes, which are, however, being increased as indicated against each.

- (i) *Via* Katni-Marwara from 295 to 400 wagons a day.
- (ii) *Via* Ajni from 275 to 320 wagons a day.
- (iii) *Via* Bhusawal from 90 to 200 wagons a day.
- (iv) *Via* Chheoki from 190 to 240 wagons a day.
- (v) *Via* Agra East Bank from 250 to 300 wagons a day.
- (vi) *Via* Viramgam transhipment from 60 to 125 wagons a day.
- (vii) *Via* Sabarmati transhipment from 120 to 175 wagons a day.

In addition, the following facilities are also being provided so as to enable increased supplies of coal for Bombay and other States being arranged :

- (i) Central India coalfields from 295 to 400 wagons a day.
- (ii) Bengal Bihar coalfields from 3,000 to 3,500 wagons a day.
- (iii) Stepping up the movement of coal and other traffic for above Moghalsarai.

(b) Minerals like iron-ore, Manganese ore etc.—So far as the movement of manganese ore from Madhya Pradesh to Bombay is concerned, attention is invited to para 7(a) under Madhya Pradesh.

The position with regard to the actual movement of manganese ore and iron ore from Southern Railway to Bombay and Mormugao Harbour during the last twelve months ending August 1954 is detailed below :—

Month	Iron ore ex. S. Ry. (BG) to Bombay	Iron ore ex. S. Ry. (MG) to Bombay	Manganese ore ex. S. Ry. (MG) to Bombay	Iron ore ex. S. Ry. (MG) to Mormugao	Manganese ore ex. S. Ry. (MG) to Mormugao
September 1953	165	294	269	848	814
October 1953	96	354	266	1378	756
November 1953	115	603	194	1363	818
December 1953	49	514	242	514	1347
January 1954	12	387	358	645	955
February 1954	24	324	249	704	948
March 1954	43	244	369	1083	652
April 1954	17	145	243	1145	864
May 1954	31	171	161	496	953
June 1954	..	449	241	548	793
July 1954	..	39	214	640	556
August 1954	..	54	317	528	286
TOTAL	552	3578	3123	9892	9742
DAILY AVERAGE	2	10@	9@	27@	27@

NOTES:—@ The movement of iron and manganese ore from the Hubli District (MG)—and Hospet area (MG) on Guntakal district of S. Rly. to Bombay is principally routed *via* Ghorpuri (Poona). But as the total capacity for transhipment *via*

this route is limited to 60 BG and 80 MG due to shortage both of MG and BG stock, the same cannot be increased until the Central Railway can introduce night transshipment at this point and the S. Railway can provide for increased capacity of movement over their Ghat section Ghorpuri-Miraj, when it will be possible, with the stock of both gauge being then available in greater numbers, to increase the total capacity of transshipment *via* this route to 70 BG and 95 MG wagons per diem.

@@The movement of both iron ore and manganese ore from Hubli District (MG) of S. Railway to Mormugao Harbour is, however, restricted on account of the heavy loading of ore on the Collem-Mormugao Harbour section of W. I. P. Railway and also from the Hospet area (MG) on Guntakal District of S. Railway both for Mormugao and Bombay Harbours. This movement is also regulated by the capacity of Mormugao Harbour.

(c) **Perishable goods.**—This traffic originates at stations on the Koregaon-Poona (MG) section of Southern Railway and moves mainly to Bomay area *via* Poona. The Southern Railway however reports that as this traffic moves over a short distance only, there has been no difficulty in meeting the demands of this traffic currently, nor has there been any demand for refrigerator vans for its movement.

13. **UTTAR PRADESH.**—The U.P. Government have stated that, on the whole during the last two years, the railway administration have tried to do their best to meet the State requirements of transport, but there have been occasionally serious shortfalls.

There is generally a serious shortage of wagons and power on the metre-gauge section which serves a very important centre of the State, practically throughout the year and this shortage becomes very acute during the cane-crushing season. On the broad-gauge system, difficulties are experienced during the winter months because of carriage of sugarcane in Moradabad, and Delhi divisions of the Northern Railway.

The Northern Railway seems unable to clear more than 1,500 wagons above Moghalsarai due to lack of line and power capacity, and of these about 600 wagons are utilised for the carriage of railway coal and material. Wagons available for the requirement of coal to meet the demand of various States, including Uttar Pradesh, were not thus sufficient for the purpose.

Severe quota limitations exist on the booking of traffic to the metre-gauge and narrow-gauge sections *via* transshipment station due to (a) scarcity of wagons on the metre-gauge and narrow-gauge systems (b) limited transshipment capacity available at the transshipment points. Due to this, the major transshipment points remain closed for booking to traffic on an average for about 10 days every month. Quota limitations exist also on the booking of traffic to Central and Western Railway lines *via* inter-change junction at Kanpur, Nani, Agra and Mathura. The commodities which are unable to obtain expeditious transport are potatoes, jute, Khand-sari, and products of cottage industries and consignments of resin from the Rosin and Turpentine Company at Clutterbuckganj. Besides these general limitations on the movement of traffic, bottlenecks exist on the following sections of the Railways:—

- (a) On the Jhansi-Manikpur section of the Central Railway due to steep gradients, weak bridges and use of obsolete type of engines with lower power capacity. The best stone quarries are situated on this section.

(b) At Haldwani, due to the station being situated at gradient and two long sections being ahead of it.

(c) The Katarnighat Station which serves an important quarry usually remains closed during the rains and this creates difficulty in the transport of ballast. In 1953, however, the North-Eastern Rly. kept the station open during the rainy season and formed three rakes for transport of stone material. The State, was, therefore able to rail large quantity of stone material from Katarnighat this year. The additional power was, however, not provided on the Gonda Distt. for the carriage of this traffic and therefore the movement of firewood on the Gonda District received a serious set-back.

(a) **Industrial coal, slack coal, soft coke, cement, iron and steel and jute.**—The State Government have furnished the following figures of their requirements and the allotments made in 1954:—

Commodity	Monthly allotment	Monthly requirement
Industrial coal	Not given	Not given.
Slack coal	1700 wagons.	3000 wagons.
Soft coke	1000 „	3000 „
Cement	1300 „	2000 „
Iron and Steel	Not given	500 „
Jute	Not given	Not given.

The increased movement of all these commodities is affected by the quota for above Moghalsarai being limited to 1,500 wagons per day. Although this has since been raised to 1,650 wagons a day, arrangements are being made to increase it to 1,800/2,000 wagons a day. The coal loading target of Bengal/Bihar coalfields is also concurrently being increased from 3,000 to 3,500 wagons a day—so as to enable increased coal allotment being made to Uttar Pradesh and other States.

(b) **Jute, Jaggery, Khandwari, Potatoes, Oil-seeds, Pulses, timber, firewood and bamboos.**—The short-falls here are principally due to the following limiting factors. The plans of the Railways concerned to eliminate these limitations as far as practicable are, however, shown below:—

- (i) *On the Moradabad and Delhi Divisions of the N. Railway during the winter months particularly during the cane crushing season.*—While the bottlenecks on these Divisions are being removed, receipt of additional rolling stock will considerably eliminate these difficulties.
- (ii) *Shortage of wagons and power on the entire MG section of N.E. Railway throughout the year and particularly during the cane crushing season.*—Acquisition of additional rolling stock is being arranged.
- (iii) *Quota limitations to MG sections via all transshipment points, principally Agra East Bank, Hissar, Manduadih, Bareilly and Barabanki.*—All these are being increased as stated elsewhere in this report.

(iv) *Limited movements to Assam/North Bengal via MG trans-shipment points, principally Assam Rail Link, Manduadih, Mokameh, Bareilly and Barabanki.*—All these are also being increased as stated elsewhere in this report.

(v) *Quota limitations, to Central and Western Railways via Kanpur, Chheoki, Agra East Bank and Muttra junctions.*

The present quotas from Northern to Central Railway via Kanpur is 125 BG wagons a day (Coal=50; General Goods=75). This capacity is being increased.

The capacities via Chheoki and Agra East Bank are also being increased.

For increasing the capacity via Muttra, the Delhi-Muttra line has already been doubled. Additional facilities are also being provided on Muttra-Godhra Section as stated elsewhere in this report. The present quota via this route from Central to Western Railway is 90 BG wagons a day plus 3 block specials a week either to Carnac Bridge or B.P.T. Railway.

(vi) *Quota limitations to South India via Bezwada for N/C Railway to S. Railway.*—This is also being substantially increased as stated elsewhere in this report.

Note.—After these capacities are increased as indicated herein above, the U.P. Government will get its proportionate share for increased movements.

(c) *Sand, stone and ballast from Bina-Jhansi-Kanpur, Jhansi-Manikpur and Kanpur-Banda sections of Central Railway.*—The movements from Bina-Jhansi-Kanpur section (capacity being 4 trains a day each way) has been kept free all the time by arranging loading to Northern Railway via Kanpur in full, before meeting other requirements in order to meet interchange obligations. The Jhansi-Manikpur and Kanpur-Banda sections, being non-controlled and having weak tracks and bridges and heavy gradients, only a locomotive with light axle loads can be used on them thereby limiting the capacities of these sections to two and one train only a day each way respectively. Although this traffic on U.P. Government account falls under item 'C' of the Preferential Traffic Schedule, the movement from all the aforesaid three sections during the last hot-weather from April to June 1953 was restricted on account of power difficulties arising out of shortage of water and sickness amongst loco staff. From July 1953 onwards, special steps were however taken to clear all the outstanding traffic from the two sections Bina-Jhansi-Kanpur and Jhansi-Manikpur; and the requirements for movement of building materials from these sections have since been met in full. As a result of recent discussions with Uttar Pradesh State officials, the following quotas have been allotted for the movement of stone and ballast and the movement during the last few months has been satisfactorily maintained at these levels—

Bina-Jhansi-Kanpur=18 wagons per day.

Jhansi-Manikpur=10 wagons per day.

The strengthening of tracks on Jhansi-Manikpur and Manikpur-Banda sections has, however, been programmed for and as soon as heavier types of engines can be run on these sections after relaying

of the track, the bottlenecks complained of would be removed, and increased allotments would be made to the U.P. Government for their requirements of building materials. Adequate section capacity for additional trains is already available over these sections.

(d) **Stone despatches from the riverine quarry at Haldwani.**—These difficulties are also being removed gradually as stated elsewhere in this report.

(e) **Movement of ballast from Katarniaghath.**—This station was kept open by N. E. Railway during the last rainy season—thereby enabling movement of three block rakes therefrom. It is hoped that this arrangement will be continued during the ensuing monsoons.

(f) **Movement of firewood ex-Gonda Dist.**—The position with regard to power will be greatly eased on receipt of additional locomotives. Additional facilities are being provided to increase the capacity of movements over various sections of this District.

14. Part 'B' States RAJASTHAN.—This State has referred to difficulties experienced in the movement of the following commodities involving transshipment at Agra East Bank, Bhatinda, Sawai Madhopur, Sabarmati and Viramgam—thereby impeding movements to and from Pakistan :—

Commodity	Monthly requirements	Monthly quota allotted
Slack coal for brick-buring ex. B.G. to M.G.	200 wagons	164 wagons.
Soft coke ex. BG to MG	* 83 "	35 "
General goods traffic ex BG to MG	Not given	Not given
Minerals from Kotah (BG) to MG	Not given	Do.
Gypsum ex. NG (Jamsar and Kavas) to BG.	2000 tons = 200 MG wagons per diem.	Do.
Cement from Swai Madhopur (BG MG) and Sikar (MG to BG).	Not given	Do.

*Exclusive of 16 wagons monthly for P.W.D.

So far as the movement *via* Agra East Bank is concerned, the present daily quota for transshipment from BG to MG is 62 wagons coal (including 22 for Western Railway, 8 for Northern Railway and 32 public) and 15 wagons general goods *i.e.* a total of 77 wagons per diem. The total movement capacity *via* Agra East Bank is being increased from 250 (including 173 from BG to BG and 77 from BG to MG) to 300. Under the increased coal allotments for above Moghalsarai, the proposals for which are already afoot, it is felt that more wagons will be allotted for stations in this State *via* this route for all the above commodities.

With regard to Bhatinda, the present quota for transshipment from BG to MG is 3 wagons coal and 12 wagons general goods.

The factor primarily responsible for limiting this quota is the non-availability of MG wagons for transshipment at Bhatinda. The diversion of gypsum wagons loaded ex-Bikaner and Jodhpur Divisions of Northern Railway for Sindri etc. for transshipment from Delhi Sarai Rohila to Bhatinda will, it is hoped, lead to greater availability of M.G. wagons; and the quota *via* this route is accordingly being increased suitably. The quota *via* Hissar is also being increased from 11 to 24 BG wagons a day.

The capacity of transshipment *via* Sawai Madhopur is limited on account of inadequacy of locos. While this position will be relieved by the end of the First Five Year Plan period, the capacity of transshipment *via* this route is also proposed to be increased.

The capacities *via* Sabarmati and Viramgam are also being increased from 120 to 175 and from 60 to 125 wagons a day respectively.

15. **SAURASHTRA.**—The position with regard to the difficulties experienced by this State in the movement of the following commodities (hampered principally on account of limited transshipment capacities available *via* Sabarmati and Viramgam) is detailed below :—

- (a) Cement textiles, potteries, salt, chemicals, agricultural commodities and mineral products ex. MG to BG (Average demand for all these has been estimated at 232 wagons a day against the supply of only 100 wagons a day).
- (b) Industrial coal (requirement estimated at 367 wagons per mensem against the supply of 233 wagons only per mensem during June 1952 to May 1953), soft coke (requirement estimated at 100 wagons per month against the quota of 40 only per mensem) and iron and steel including pig iron ex. BG to MG.

It is difficult at present to deal with any increase in the movement of the above commodities in view of the shortage of rolling stock and limited capacities for transshipment *via* Sabarmati (120 BG including 52 coal and 68 General Goods and 120 MG including 50 Live Stock and 70 General Goods) and *via* Viramgam (60 BG and Free MG). Steps are, however, being taken to increase the same to 175 and 125 BG wagons respectively per day when, it is hoped, this State will get its increased share of allotment of wagons for all the above commodities in both the directions. At present marine salt and iron and steel (including pig-iron) have necessarily to be moved in appreciable quantities from and to Saurashtra by the rail-cum-sea routes *via* Calcutta and Bombay respectively.

16. **PEPSU.**—The State Government have complained about inadequate number of wagons for brick burning coal and soft coke and for the movement of agricultural implements manufactured in the State.

(a) **Slack coal and soft coke.**—With the increased off-take for above Moghalsarai from 1500 to 1800 wagons per diem, this State will, it is hoped, get its proportionate share of increase in the coal allotments.

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(b) **Agricultural implements.**—As far as the movements from the BG portion of Northern Railway are concerned, there has been no difficulty in the supply of wagons for the traffic as offered. There has, however, been some difficulty in meeting the transport requirements by rail on the MG portion of Northern Railway falling under the jurisdiction of Bikaner Division. This is due to shortage of MG wagons on this Division principally due to the heavy commitments for loading of gypsum to the extent of 1500 tons = 150 MG wagons daily from Jamsar (Bikaner Division) and 500 tons = 50 MG wagons daily from Kavas (Jodhpur Division) i.e. a total of 200 MG wagons per day for Sindri (BG) etc. With the execution of the proposal to transfer this work from Delhi Sarai Rohila to Bhatinda, it is hoped that the wagon shortage on Bikaner Division will be relieved, thereby enabling increased allotments being made to PEPSU for movement of agricultural implements to the aforesaid States served by M.G.

17. **Mysore (S. Rly.) Travancore-Cochin (S. Rly.) and Hyderabad Deccan (C. Railway).**—None of these States has made any complaints regarding rail transport.

18. **Part 'C' States. TRIPURA.**—Bordered on three sides by Eastern Pakistan and on the fourth side by hills, this State is connected only by a strip of plain land with Assam. There being no railway line within this State, the State Government have suggested establishment of a rail link through India. No such proposal has ever been surveyed. This State has however suggested an out-agency at Agartala to be worked by Eastern Pakistan Railway.

19. **KUTCH.**—The State Government desire the quota for Soft Coke to be increased to its original level from the present level of 13 wagons per mensem introduced with effect from 1st February, 1953. This is at present difficult due to limited transshipment capacity *via* Sabarmati, which is however being increased.

20. **COORG.**—Although this State is not connected by any railway lines, their requirements are stated to be adequately served by Southern Railway Out-agencies at Mercara and Virajpet served *via* Mysore Jn.

21. **HIMACHAL PRADESH.**—Although this State is not directly connected by any railway lines, their requirements are stated to be adequately served by a number of rail heads on Northern Railway for Sirmur, Nagrota and Chamba districts—all of which are covered by the State nationalised transport both for goods and passengers—these services being feeder to the Northern Railway.

22. **AJMER.**—While this State Government considers the present supply of 8 wagons per mensem for slack coal for brick-burning adequate to meet its demands, they desire that the allotment for soft coke should be increased from 20 to 30 wagons per mensem. Increased movements are difficult at present due to coal transshipment capacity *via* Agra East Bank being limited to 62 BG wagons (including 22 for Western Railway, 8 for Northern Railway and 32 public). Arrangements are however in hand to increase the total capacity *via* this route to 300 BG wagons a day.

23. **MANIPUR.**—This State also is not connected by any railway line.

24. VINDHYA PRADESH.—While this State Government are satisfied with the facilities provided by the Railway from the point of view of implementation of the Five Year Plan (the demands particularly for brick burning coal and soft coke being limited) they have suggested that owing to the scarcity of railway lines in their State, it would be desirable to provide out-agencies as a link between the rail heads and the nearest District Headquarters and the Capital of the State, most of which will be feeder to the Central Railway.

Although it has already been decided to open Rewa Out-agency for passenger, luggage and parcel traffic only to begin with, action to be taken to proceed further with its opening has been deferred until such time as the question of running through buses between Rewa and Allahabad has been mutually agreed upon by the State Transport Authorities of the respective States viz. Vindhya Pradesh and Uttar Pradesh. This Out-agency will however be opened for goods traffic only after the wagon position on Jubbulpore Division improves.

As regards opening of out-agencies at other suitable places in Vindhya Pradesh viz. Tikamgarh, Nowgong, Chattarpur, Bijamar, Panna and Mohrajpur, enquiries made reveal that the prospects of traffic at these places are too meagre to justify their opening on financial grounds. Moreover, the question of opening these out-agencies will also depend upon the success or otherwise of the out-agency at Rewa.

25. BHOPAL.—The Bhopal Government have complained regarding difficulties in the movement of cement from Banmore and Kymore (both on Central Railway) and sand from Hoshangabad (Central Railway), particularly during January to June each year.

In regard to cement, the railways guarantee supply of wagons in accordance with the overall quotas for loading as fixed by the Central Board of Transport. The position with regard to loading ex-Kymore is explained under para 7(d) above under Madhya Pradesh.

In regard to sand from Hoshangabad, there was some difficulty during the hot summer months of 1953 owing to the acute water shortage and difficult operating conditions created thereby. With the doubling of the line between Budni and Barkhera and improved power allotment to this Railway, it is anticipated that there would be no transport difficulties in this area.

26. Future expansion programmes of certain industries in the private sector.—For some time past the Ministry of Railways had been asking other administrative Ministries for a broad direction-wise breakdown of the anticipated additional demands on rail transport (indicating the quantities of raw materials required from different sources of supply and the finished products required to be despatched annually to the destinations concerned) resulting from the prospective increase in the industrial production under the private sector envisaged in the Five Year Plan to enable a rational and economic plan being drawn up for the development of rail transport within the plan period. An attempt in this direction was accordingly made

in the office of the Planning Commission and some material, collected by them from major industrial units in the private sector, was received in the Ministry of Railways. The statements furnished by the Planning Commission claim to give, among other things, the present installed capacity and annual/daily out-put in tons/wagon loads of the major industrial projects (completed, under project and in progress upto end of 1952), as well as the additional out-put of finished products during the next few years. These statements were forwarded to the Railways concerned for such use as they could make of them in co-ordination with the local trade and industrial interests and the State Governments concerned to enable them to obtain as good an idea as possible of the future requirements and to plan the development of rail transport accordingly after assessment of the same in conjunction with the adjoining Railways. The railways were also requested to supplement this material with any other data that they could arrange to obtain from the interests concerned with regard not only to the requirements of the industries in their respective zones not included in the above statements, but also with regard to industrial projects proposed from January 1953 onwards. The Railway Administrations have compiled the necessary information and the results of their examination are given in the statements at Appendices IV, V, VI, VII, VIII and IX.

27. Demands for new Railway lines put forward by various State Governments.—Out of a total allotment of Rs. 400 crores under the Five Year Plan, the Ministry of Railways have had to spend a large portion for making up past deficiencies in wagons and locomotives and on various other rehabilitation programmes and construction works designed to increase the transshipment and line capacities of congested points or sections. Only the balance of fund and materials left over after allocation to rehabilitation programmes and construction works could be earmarked for construction of new lines. Naturally, therefore, the allotment of funds and materials for construction of new lines had during the First Five Year Plan period to be regulated by the priorities shown below:—

- (a) Lines arising out of the Five Year Plan itself.
- (b) Lines required for operating reasons.
- (c) Lines for meeting local or regional demands.

In making the final selection for construction of new lines during the next few years, the Minister for Railways and Transport has recently indicated the priorities that may be followed; and these are:—

- “Firstly, lines required to meet the needs of heavy industrial and agricultural development schemes;
- Secondly, lines required to serve areas rich in mineral resources but still not exploited and those which provide commodities for export abroad will come in for consideration;
- Thirdly, undeveloped areas lacking adequate means of communication;
- Fourthly, schemes such as electrification of lines which are in a class by themselves.”

28. Each new railway line project had so far to be adjudged on its own merits after *making* a careful assessment of its financial returns. This was essential in view of construction costs, price of rolling stock and working costs having gone up by over 300% as compared to pre-war levels. It may, however, be added that an average new B.G. railway line (not traversing hilly country or involving heavy bridging) costing Rs. 5/- lakhs per mile is required to earn Rs. 1½ lakhs per mile per annum merely to "pay for its keep". Any shortfalls below this level thus meant recurring losses and probably had to be made good at the expense of other essential developments required elsewhere on the Railway systems. Purely from financial considerations it would not be in the economic interest of the Railways to undertake construction of new lines involving a recurring loss.

29. Even though some new railway lines were not financially justified in the near past and the needs of such areas could perhaps be adequately met by development of other more economical forms of transport like the roadways, some regional interests all the same insisted on the former presumably because both the capital costs and losses on working of the former were to be borne by the Centre, whereas the costs on the latter have had to be paid for by the States—a contingency, which they either could not afford or were reluctant to be saddled with. But as in practically all cases the financial prospects of the new lines are discouraging, it has been decided that the criterion to be followed in future in making the selection for construction of new lines need not necessarily be the purely financial return to be anticipated but shall be governed by the priorities indicated by the Minister for Transport and Railways, referred to in paragraph 27 above.

30. The latest position with regard to the proposals for construction of new railway lines put forward by various State Governments is given at Appendix X.—The costs shown therein, where based on old surveys, would be considerably higher at present-day rates and returns correspondingly lower.

31. Some specific complaints re: transport shortages as made in the evidence before the Study Group.—In the course of discussions with Chambers of Commerce and individuals interested in transport, several suggestions were made relating to railways. These are examined below:—

- (a) *Owners should be permitted to employ their own labour at various transshipment bottlenecks so as to improve turn round of wagons and also the over-all transshipment capacities.*

The existing limitation at transshipment points is not labour, but shortage of wagons and locomotives and in some cases the line capacity. The suggestion made is, therefore, not a practical one. Arrangements are, however, being made to eliminate the above handicaps as far as possible as suggested elsewhere in this report.

- (b) *Connecting Kotah or Madho Serai to the M.G. systems so as to achieve an improvement in the movement of goods to Western India.*

This has been noted.

- (c) *Provision of special type of stock viz. tank wagons, hoppers, EVKs, etc. for the expanding chemical and power alcohol and automobile industries etc.*

Every effort is made for providing sufficient number of additional tank wagons and other special type of rolling stock for the various expanding industries in the normal Rolling Stock Programmes of the Railways within the resources available.

- (d) *Removal of restrictions on the movement of over-dimensioned packages of heavy and bulk-machinery.*

Provision already exists for moving over-dimensioned packages under certain speed restrictions on various railways. There is no intention to carry out any large scale alterations to the existing structures to remove such restrictions, as the expenditure involved would be prohibitive.

(e) **Speedy completion of Barwadih-Chirmiri Rail-line.**—On account of the difficult ways and means position towards the end of 1949, this construction was stopped. A sum of nearly Rs. 1.55 crores was spent out of an estimated cost of Rs. 16 crores. It is, however, not proposed to resume this construction for the present as resources are required for works of higher priority. The question of utilising a part of the work already carried out is under investigation by the Eastern Railway.

(f) **Special arrangements should be made either for road or rail transport for movement of garden crops like mangoes in Sholapur Division and for vegetables near Nasik.**—There is no mango traffic originating from stations on the Sholapur Division. Regarding other garden crops no difficulty has been experienced in arranging rail transport whenever required by the trade. In regard to the transport of vegetables from areas around Nasik on the Bhusaval Division, there is regular daily movement by rail of this traffic from Nasik, mainly to Byculla, Dadar and Kalyan. No difficulty is experienced in moving the traffic offered. It is however understood that appreciable part of this traffic is also moving by road to stations in the Bombay area in private lorries, wherever this mode of transport offers greater advantages. It is further understood, that the vegetable growers have formed co-operative societies and own lorries, which are used to collect vegetable consignments from door to door for direct despatch to the markets at Bombay, Byculla and Dadar.

CHAPTER IV.—Coal Transport

Coal forms the largest single item carried by the Railways and accounts for about 25 per cent. of the total revenue earning traffic over the broad gauge system and about 7 per cent. on the meter gauge system.

The main coal producing areas in India lie in the States of Bihar and West Bengal. There are nearly 900 working collieries in the whole of India, out of which as many as 800 are situated in the two States mentioned above and nearly 82 per cent. of the total output of coal is contributed by these two States. Other coal producing areas are in the States of Madhya Pradesh, Vindhya Pradesh, Orissa, Hyderabad and Assam. The geographical situation of the coalfields is such that the bulk of the coal supplies have to move to the different parts of the country from the West Bengal/Bihar fields. In dealing with the problem of coal transport, another factor that has to be kept in mind is that the better qualities of coal are produced mainly in the Bengal/Bihar fields and that generally speaking, the coal produced in the other areas mentioned above is of inferior quality. Thus in spite of there being some coal mines nearer to them certain consumers prefer to have their supplies from West Bengal/Bihar. Soft coke for consumption as domestic fuel is produced mainly in the Bihar fields and has to be transported to distant regions like Delhi, Punjab, Saurashtra etc. from the Jharia fields. The same applies in the case of brick burning coal, the bulk of which is supplied from the Bengal/Bihar fields. These basic factors have to be kept in view in dealing with the problem of coal transport.

The production and despatches of coal from 1951 to 1954 are given below:—

Year	Production Despatches	
	Tons	Tons
1951	34,430,522	29,217,332
1952	36,301,865	31,183,666
1953	35,979,167	30,763,410
1954	36,773,605	31,943,972

While the production and despatches showed a marked increase in 1952, there was a recession in 1953, when the production and despatches dropped by about 1 per cent. The main reason for the drop in output in 1953 was a cautious production policy adopted by the coal industry in the face of restricted despatches to destinations in India resulting in the accumulation of stocks at pits mouth and a dwindling export market. The position however showed some improvement in 1954, when the production and despatches exceeded the 1952 figures.

The following figures show the field-wise production and despatches of coal in 1954:—

Field	Production	Despatches
	Tons.	Tons.
Bihar	19,076,104	15,380,042
West Bengal	10,059,332	9,929,997
Madhya Pradesh	3,614,094	3,412,359
Hyderabad	1,502,396	1,391,255
Vindhya Pradesh	949,317	865,025
Orissa	519,858	480,936
Assam	4,88,889	455,184
Rajasthan	29,615	29,174
TOTAL	36,773,605	31,943,972

The demand for coal has been steadily increasing, though it is difficult to assess the *actual* increase from year to year. In the context of restricted despatches, when it is possible to transport substantially less quantity than what is demanded, it is difficult to make a very accurate assessment of the true demand for coal. At present the demand is taken to be the demand as "screened" by the relevant authorities, i.e. what is reported to the Coal Commissioner by the Central and State sponsoring authorities, after scrutiny of the individual demands and also the export offers received by the Coal Commissioner. During a period of transport deficiency, when wagon allotments for coal movement are made on a quota basis, it is to be expected that the demand placed by the consumers might contain an element of inflation which may not altogether be eliminated by the sponsoring authorities' scrutiny. The true demands can be known only when all supplies can be arranged and this will be possible only when the transport position improves. At a time when full demands can be supplied, no one would have any reason to inflate his requirements and this error will be eliminated. But it should be mentioned that by the time the transport position improves, the element of exaggeration in the demand may be off-set by the increase in genuine demand for coal becoming effective with the removal of difficulties on supplies, which would make possible for the Coal consuming industries to plan with confidence for new requirements. On the basis of the full installed capacity of production, it can be stated that the estimated demand for coal has increased that from 33.2 million tons in 1949 to about 39.5 million tons in 1954. In practice, factories cannot always work to their full installed capacity for various reasons such as strikes, breakdowns in machinery, short supply of raw materials, etc. It is therefore necessary to scale down the demand of 39.5 million tons and it is expected that a movement of 36 million tons, will operate in full satisfaction of the demand. The total despatches in 1954 were 31.9 million tons, this fell short of the adjusted demand by about 4 million tons.

It cannot be denied that the existing transport position sets a limit to coal production. The average wagon loadings in the Bengal/Bihar fields during the last few years have been:

Year	Daily average loading
	(Wagon)
1951	3022
1952	3144
1953	3112
1954	3205

There was actually a shortfall in loadings in 1953, as compared to 1952, but the position improved in 1954. The actual increase in loadings in 1954 was about 2 per cent. and 6 per cent. as compared to the loadings in 1952 and 1951 respectively. This cannot be said to be an adequate improvement.

The difficulties in coal transport arise mainly from two factors—(i) inadequate wagon supply and (ii) limited line and yard capacity and junction limitation. An improvement in coal transport will be possible only if both these bottlenecks are removed.

Another point that is relevant in this connection is that the wagon supply for coal in the Bengal/Bihar field is not uniform throughout the year. Experience has shown that wagon supply during the period of October to March of the year is much more restricted, but during the period of April to September the supply position improves considerably and on certain days more wagons are offered than could be utilised. For example in March 1954, the daily average was 3061 wagons, (January and February figures were smaller due to Kumbh Mela restriction) while the daily average in September 1954 was 3593 wagons. This un-even supply affects coal distribution on an uniform basis from month to month. This phenomenon cannot altogether be eliminated as, during the months of October to March of the year more wagons are utilised for general goods movement, including agricultural produce.

The distribution of coal to the various consuming industries is effected by a system of wagon permits issued by the Coal Commissioner. For purposes of coal allocation, industries have been classed under different groups in order of importance or priority. For each industry there is a sponsoring authority (the Central Government or a State) and it is the responsibility of the sponsoring authority to ensure that the demands of the various units within particular groups are placed on the Coal Commissioner sufficiently in advance to enable him to formulate his allocation proposals. Coal allocations to the industries are sanctioned on a monthly basis in advance calculated on the anticipated production, the demands placed on the Coal Commissioner and the anticipated availability of transport.

To move 36 million tons of coal, which is the estimated present (adjusted) demand, the average number of wagons required daily will be about 4,436 (from all fields except those in Assam) and the allotment-area-wise distribution of this number will be as follows:—

Name of allotment area	No. of wagons required
West Bengal/Bihar (including Palamau, Daltongunj and Jainty— i.e. 12 wigons)	3611
Nagpur allotment area (including narrow gauge)	261 (present wagon offerings are about 285)
Bilaspur allotment area	355
Talcher allotment area	35
Singareni allotment area	174
TOTAL	4436

Against an average requirement of 3600 wagons in the Bengal/Bihar fields, the average reached in 1953 was 3112 wagons and in 1954, 3205 wagons or a daily short-fall, as compared to the demand, of nearly 400 wagons. The direction-wise break-down of the wagon movement from the Bengal/Bihar fields is attempted below on the basis of the existing pattern of distribution.

Direction	Ex. E. I. Rly.	Ex. B.N. Rly.	Total
Above Moghulsarai	1150	150 (via Gomoh Ra- dhanagar 50)	1300*
Below Moghulsarai	225	20	245
Industrial Area	375	260	635
Down country	850	250	1100
(via) Walteair . . . . .	..	75	75
(via) Nagpur . . . . .	..	75	75
BNR Local . . . . .	..	170	170
TOTAL	2600	1000	3600

Apart from the general limitation of wagon shortage and yard and Junction capacities etc., when in certain months there is an increase in demand and more wagons are actually available to lift it, the limited pilot and depot capacities in the Bengal/Bihar fields stand in the way of the movement of coal at an accelerated pace. This feature became particularly noticeable in 1954 when large wagon supplies were available during the slack season. In the

*Takes into account present capacity

Bengal/Bihar fields it is estimated that the current depot and pilot capacities will not permit the utilisation of more than 4250 wagons a day. It has been reported that difficulties are experienced when this limit is approached fairly closely and the result is that coal movement tends to be restricted even when both the coal and wagon supplies are available. The Railway Board has, at the instance of the Ministry of Production, accordingly set up a Committee, consisting of the representatives of the Railways and the Coal Commissioner to examine this problem and report on the existing pilot and depot capacities in the Bengal/Bihar fields and to recommend a revision of the pilot and depot capacities taking into account:—

- (1) the current and anticipated production of collieries served by the various pilots and depots,
- (2) the increasing demands of coal to be moved from the Bengal/Bihar fields, and
- (3) the improvement in the transport position envisaged for coal movement both as regards additional wagons and other transport facilities.

The Committee has been asked to submit its report by the end of April 1955.

To rationalise Coal distribution, (i.e. to arrange supplies as far as possible from the nearest source) the Coal Commissioner has introduced from 1st July 1953 the Zonal distribution of coal envisaged by the Indian Coalfields Committee (1946) and recommended strongly by the Working Party (1952). According to the scheme, which aims at the coal supplies being arranged from the nearest coalfields, subject to the necessary quality and quantity being available, movement of coal other than selected grades and of coke from the West Bengal/Bihar fields is not permitted to destinations in South India and those in Central and Western India below the Katni-Bina-Bhopal line except for certain exempted categories. This step was primarily intended to effect a saving in the transport and may also tend to facilitate the development of the outlying fields. According to the Rationalisation Scheme, industries situated in the up direction (i.e. above Moghalsarai) should draw their requirements from Dhanbad except for certain industries requiring high volatile coal, such as electrically undertakings, gas refractories, potteries etc. who get their supplies from Asansol area. Consumers situated on the North Eastern Railway (ex-O.T. Rlys.) normally served *via* Mokamaghat should obtain their requirements from Asansol and those served *via* Nanduadih from Dhanbad area. Industries situated in the following directions are not permitted to draw their requirements of coal other than selected Grade 'A' and Coke from West Bengal/Bihar fields:

- (a) Stations beyond Chakradharpur;
- (b) Stations on the South of the line Kanti-Bina-Kotah;
- (c) all stations *via* Nagpur on Central and Western Railways;
- (d) all Stations *via* Ujjain on Central and Western Railways;
- (e) all stations on Southern Railways;
- (f) all stations South of Balharshah on Central Railways.

Consumers situated in the above areas are required to draw their requirements from Madhya Pradesh, Vindhya Pradesh, Orissa or Singarani fields.

The table below compares the allotment area-wide distribution of wagons (4436 daily) required for the movement of about 36 million tons of coal a year, and the actual average wagon loadings from the various fields during 1954:—

Allotment area	No. of wagons required	Actual average loadings in 1954
West Bengal/Bihar	3611	3205
Nagpur allotment area (M.P. Coalfield)	261	258
Bilaspur allotment area (C.I.C. field)	355	290
Talcher allotment area (Talcher coalfield)	35	34
Singarani allotment area (Singarani coalfield)	174	164
TOTAL	4436	3951

It will be seen that the main shortages occur in the Bengal/Bihar fields and in the Central India fields. It is necessary that wagon supplies to these two fields should be stepped up, in the case of Bengal/Bihar fields at least upto an average supply of 3400 wagons immediately and in the case of the Central India Coalfields upto 330 wagons a day.

The stepping up of wagon supplies alone will not help much unless the Junction limitations that operate as bottlenecks for movement of coal from the Bengal/Bihar fields are also removed. The most important of the present bottlenecks for coal movement are Moghalsarai, Agra East Bank (MG) and (BG) Viramgam Sabarmati, Mokhamghat, Cheoki, Bhagalpur, Manduadih and Waltair.

Wagon supply for stations above Moghalsarai would require to be maintained at least at an average figure of 1300 wagons a day, as otherwise consumers situated beyond this Junction will be faced with shortages off and on. To meet the full requirements of brick burning coal and soft coke also, it would be necessary to work to an average of 1400 wagons a day. It has been reported that offerings on some days are very low, ranging from 830 to 950 wagons a day, while on some other days the offerings are 1250 wagons. Such fluctuations in day to day offerings affect the normal distribution of wagons based on indents and priorities and lead to unbalanced distribution.

To meet these requirements for coal movements, it is necessary to increase line and junction capacities in specified directions and to procure more rolling stock, which is discussed in the following Chapters.

CHAPTER V.—Measures taken by the Railways to increase the line capacity and rolling stock to remove existing bottlenecks.

It is clear from the complaints made by State Governments and the other evidence placed before us that the limitations on the capacity of the railways now experienced, which require removal, are of three kinds:—

- (a) Inadequacy of line capacity of certain Sections including the capacity of terminal yards, transshipment points, ferries, etc;
- (b) Inadequacy of wagons;
- (c) Inadequacy of locomotives.

Besides the Federation of Indian Chambers of Commerce and Industry in the memoranda submitted by them to the Railway Board and the Planning Commission in December, 1953, October, 1954, have stressed the following main points:—

- (a) The need to augment transportation capacity to an extent that will enable railways not only to handle all the traffic that is being currently offered, but also leave a sufficient margin for the anticipated increase in traffic as a result of the plans for expansion in the different sectors of the country's economy;
- (b) The need for certain urgent measures to remove the difficulties at present being experienced by manufacturers and traders such as restrictions of bookings over long periods, delays in transport, congestion at certain junction points, inadequate transport facilities, pilferage and loss of goods in transit etc.
- (c) The need for examination of the present rate structure with a view to making it more conducive for the development of trade and industry.

2. It is not within our province to examine point (c) above. We shall make a general examination of point (a) in the next chapter. In the present chapter we give a brief account of the measures already taken by the railways to remove or mitigate the inadequacy in respect of line capacity, wagons, and locomotives.

Line Capacity.—The following are some of the more important measures likely to be completed by the end of the Plan period which are under execution:—

I. *Coal Movements.*—(1) For increase in coal movements from the Central India coalfields from the present level of 295 to 400 wagons a day.

(a) Construction of a new line from Champa to Korba to open up the Korba coalfields expected to be completed by November 1955.

(b) Provision of additional crossing stations and sorting facilities and remodelling of several yards on the Eastern and Central Railways—all expected to be completed by March 1956.

(2) Increase in the coal loading target of the Pench Valley Coalfields from 210 to 300 wagons a day by providing additional yards and lines at Amla and Itarsi and improved inter-locking arrangements—all expected to be completed by the end of the First Plan period.

(3) Increase in the coal loading target of the Singareni Coalfields from 170 to 310 wagons a day and for normal increase in traffic by remodelling Kazipet and Dornakal yards and providing additional facilities on Bezwada-Dornakal section and Balharsha-Kazipet section—all expected to be completed by the end of the First Plan period.

(4) Increase in the coal loading target of the Karanpura coalfields from 150 to 300 wagons a day by providing additional crossing stations, inter-locking arrangements and additional reception lines—all expected to be completed by 1956.

(5) Increase in the coal loading target of the Bengal/Behar coalfields from 3,000 to 3,500 wagons a day, the increase being divided into 180 wagons for down country, 180 for up country and 140 for the industrial area mainly for the expansion programme of TISCO, by providing additional facilities at Sitarampur, additional line facilities to the Calcutta Docks, connecting sidings etc. and additional capacities on the Main Line and Grand Chord Section of Eastern Railway upto Moghalsarai and also beyond—all expected to be completed by the end of the First Plan period.

II. *Expansion of steel works.*—For dealing with the additional traffic in connection with the expansion of steel works, provision has been made for a number of facilities, the more important of which are:

- (i) New rail link between the Gua-Barabil area and the Manoharpur-Rourkela Section.
- (ii) Doubling of Sini-Gaumharia, and the Sini-Kandra and Anara-Garh Dhrubeshwar, Joy Chandi Pahar-Burnpur, and Tatanagar-Asanboni sections.
- (iii) A direct link between Sodepur (ex-E. I. Railway) and the Aldhi Branch of the ex-B. N. Railway.

NOTE.—Although some of these works have already been completed, others are on hand. While some works in connection with the expansion programme of TISCO are expected to be completed by March 1956, other works have still to be sanctioned and carried out in the Second Plan period.

III. *Removal of existing bottlenecks and provision of extra line capacity.*—Increase in the movement from North to South via Waltair from 220 to 320 wagons a day by providing additional facilities at several stations on the Eastern and Southern Railways—all expected to be completed by March 1956.

(2) Increase in capacity for movements from Bezwada to the South towards Madras, from 300 to 420 wagons a day by remodelling Bezwada Yard, extension of loops at several stations, additional

crossing stations, conversion of the 52 mile long Gudur-Renigunta M.G. section into B.G. etc. While most of these works will be ready by March 1956, the remaining are expected to be completed by December 1957. In the meantime with the pooling of heavier engines which can haul bigger loads, this capacity has with effect from 28th January, 1955, been increased to 370 wagons a day and the movement capacity between Bezwada and Madras will within a short time be further increased to 420 wagons a day.

(3) Increase in the intake of the Southern Railway from Central Railway *via* Raichur from 135 to 200 wagons a day. The works in connection with this increase are expected to be completed by March 1956. This capacity has with effect from 28th January, 1955, been increased to 160 wagons a day.

(4) Increase in capacity beyond Jalarpet to Mangalore from 185 to 250 wagons a day. Most of the works in connection with this increase are also expected to be completed by the end of the First Plan period.

(5) Increase in yard capacity at Ajni (Nagpur) and Katni Marwara so as to augment the intake of the Central Railway from Eastern Railway at Nagpur from 275 to 320 wagons a day and at Katni Marwara from 295 to 400 wagons a day—all expected to be completed by March 1956. In the meantime one additional train is being moved from CIC coalfields every alternate day carrying loco coal for the Saurashtra Region of the Western Railway *via* Ajni as a result of opening of a loco coal dump at Sabarmati recently. A dump for public coal *ex*-Bengal/Bihar Coalfields for cement industries in Saurashtra has also been opened at Viramgam with effect from 26th January, 1955, as a result of which the quota for public coal *via* Viramgam has been increased from 22 to 32 and for general goods from 20 to 35 wagons a day.

(6) Increase in the capacity of the Bhusaval-Igatpuri section and the Itarsi-Bhusaval and Bhusaval-Surat sections so as to increase the Central Railway's intake *via* Bhusaval from 90 to 200 wagons a day. The works in connection with these are expected to be completed by the end of the First Plan period.

(7) Increase in the intake of the Central Railway from the Northern Railway from 190 to 240 wagons a day *via* Cheoki. The quota *via* this route has already been increased to 220 wagons a day.

(8) Increase in the capacity for movement above Moghalsarai from 1,500 to 1,800 wagons a day by additional facilities on the Moghalsarai-Allahabad-Kanpur section and the Moghalsarai-Partapgarh-Lucknow-Moghalsarai-Fyzabad-Lucknow, *Unao-Unchahar* Sections and other sections. Although some works have already been completed both on Northern and Eastern Railways, other works are still in hand on Northern Railway (the Eastern Railway having not yet undertaken any further works). In any case the Northern Railway expect that this capacity will be increased to 1,800 before March 1956. The quota for above Moghalsarai has already been increased to 1,650 wagons a day and further plans are being drawn up to increase the same upto 2,000 wagons a day.

(9) Increase in the capacity of the Katihar-Siliguri section from 225 to 420 wagons a day and the Siliguri-Alipurduar section from 165 wagons to 350 wagons a day—the capacity of the latter having already been increased to 180 wagons a day. Some of these works have already been completed and the remaining are expected to be completed by March 1956.

(10) Construction of a B.G. Bridge over the Ganga at Mokameh which is expected to be completed by the end of 1958. This will enable 300 B.G. wagons being transhipped daily against the present quota of 135 only *via* Mokameh Ghat and a combined quota of 219 B.G. wagons only *via* the three riverine transshipment points *via* Mokameh Ghat, Bhagalpur and Sakrigali Ghat.

NOTE.—Until such time as the bridge over the Ganga materializes, the following new routes have been opened to afford relief to existing demands for traffic to Assam, North Bengal, North Bihar, and Eastern U.P.:

- (a) Night transshipment introduced at Sakrigali/Manihari Ghat so as to increase its capacity by 20 B.G. wagons a day.
- (b) Private agencies have been employed to provide their own river craft and undertake wagon to vessel and vessel to wagon transshipment at the following points:
 - (i) Ex-Tinpahar to Rapmehal *via* Manihari Ghat with effect from 1st December, 1954 with capacity for 14 B.G. wagons daily for stone chips. Ultimately this crossing will be from Rajmahal to Kharagola with capacity for 45 B.G. wagon a day.
 - (ii) *Via* Moghyr/Monghyr Ghat with capacity for 12 B.G. wagons coal a day. This will soon be increased to 30.
 - (iii) *Via* Tarighat/Ghazipur with effect from 27th December, 1954, for fertilizers and stone chips @ 5 B.G. wagons each per diem.
- (c) Capacity *via* Mandnadib already increased from 60 to 120 B.G. wagons a day and this is being quickly expanded to 200.
- (d) Rail-cum-river-cum-rail route *via* K. P. Docks and Manihari Ghat with capacity for 29 M.G. wagons a day for tea-garden coal and stores.
- (e) Rail-cum-river-cum-river *via* K. P. Docks and Dhubri Ghat with capacity for 20 M.G. wagons a day of tea garden coal and stores.
- (f) Ropeways between Tarighat and Ghazipur and between Rajmahal and a suitable point on the opposite bank.

(11) Increase in the line capacity of the Agra East Bank-Bayana-Baroda. Most of the works required in connection with this increase are expected to be completed by the end of the First Plan period. In the meantime by lengthening crossing loops and pooling heavier engines and other adjustments on Ratlam-Godhra Section, its capacity has already been increased by 50 more B.G. wagons a day and this capacity will further improve by 60 or 70 wagons a day by the middle of 1955.

(12) Expansion of the transshipment capacity at Agra East from 250 (173 B.G. to B.G. and 77 B.G. to M.G.) to 300 B.G. wagons a day from the Northern to the Western Railway. Although no works have yet been sanctioned for increasing the transshipment facilities at this specific point, since the work of train examination has already been transferred from this point to Jumna Bridge to improve the fluidity and on completion of certain works in Tundla yard by the end of the First Plan period, the capacity of this transshipment will be increased by March 1956 as stated. In the interim period additional 25 B.G. wagons of coal are being moved daily *via* this route for transshipment at Sawai Madhopur as a result of opening of loco coal dump at Sabarmati recently.

(13) Increase in the 'break-of-gauge' transshipment capacity at Sabarmati and Viramgam and Sawai Madhopur from 120 to 175, from 60 to 125 and from 25 to 40 wagons a day respectively. So far as Sabarmati is concerned, the remodelling of this yard at a cost of Rs. 1½ crores has been sanctioned and work will be taken in hand in 1954-55 and completed by March 1957. In the interim period one additional train is being moved *ex-CIC Coalfields* every alternate day carrying loco coal for Saurashtra Region of Western Railway *via* Sabarmati as a result of recent opening of loco coal dump at Sabarmati.

No specific works in connection with increasing the transshipment capacity *via* Viramgam and Sawai Madhopur have yet been sanctioned. Therefore, these increases are expected to materialise only in the Second Plan period. In the interim period it is proposed to move additional 25 B.G. wagons of coal daily *via* Sawai Madhopur as referred to under item (12) above.

(14) Construction of a new link between Khandwa and Hingoli *via* Akola so as to enable through operation of metre-gauge trains between North and South India. This work has been sanctioned in 1953-54 and the line is already under construction and expected to be completed in the beginning of the Second Plan period.

(15) Increase in the loading target of manganese and iron ore from Madhya Pradesh for export *via* Vishakapatnam Port. The principal works required in connection with the export of iron-ore have not yet been sanctioned.

So far as export of manganese ore is concerned, the capacity of Raipur-Vizianagram Section is expected to be increased by the end of the First Plan period by 2 trains daily so as to synchronise with the completion of the 4th berth at Vizianagram—so as to increase export of manganese ore by 100 wagons daily *via* this port. But since other ancillary works required on Vizianagram-Waltair Vishakapatnam are not expected to be completed by the end of the First Plan period, increased export to the extent of only 50 wagons per diem can be arranged even now as spare capacity upto this extent already exists in the above sections.

(16) Increase in the movement of traffic to and *via* Delhi area. While some minor works are expected to be completed by the end of the First Plan period, a decision with regard to the major works for provision of a new marshalling yard at Tughlakabad has yet to be taken. A great deal has, however, been achieved recently reducing movements *via* this route by adoption of the following alternative and more suitable routing arrangements:

- (a) The transshipment of a train load of gypsum from M.G. to B.G. has been transferred from Delhi Sarai Rohila to Bhatinda. This has eliminated movement of train load of B.G. empties to Delhi Sarai Rohila and of a gypsum load from Delhi Sarai Rohila to Ghaziabad and has thus enabled better performance on the M.G. portion of N. Railway resulting in reduced load from Jamsar (gypsum loading station on Bikaner Division of N. Railway) and thereby making Delhi Sarai Rohila a free route, which for years had been a restricted junction.

(b) One train load of empties which was being despatched from New Delhi to Allahabad Division *via* Ghaziabad is now being routed *via* Agra and Tundla.

(c) One block load of traffic for stations beyond Ghaziabad is now being accepted from Western Railway *via* Bayana and Agra instead of Mathura and New Delhi.

(17) Increase in the movement of traffic in petroleum, oil and lubricants etc. through Kandla Port. Works in connection with this are expected to be completed by the end of the First Plan period so as to provide an additional loading of 50 wagons daily from this port.

(18) For dealing with an increased traffic of approximately 90 wagons per diem from the oil refineries at Trombay, additional rail facilities are being provided in Kurla-Trombay Section. Out of a total distance of 5.8 miles, work on 4.2 miles has been completed and the latter section opened to traffic in June 1954. The remaining portion is expected to be completed by March 1955.

(19) Further reliefs have been afforded for improving M.G. wagons availability by the under noted adjustments in routing of traffic:

(a) Piece goods traffic from Ahmedabad for N. Bihar, which used to move by all M.G. route, is now moved by B.G. upto Mandnadib and then transhipped there into M.G.

(b) Salt traffic from Sambhar, which used to move by all M.G. route, is now transhipped to Agra East Bank into B.G. and re-transhipped at Mandnadib into M.G. for North Bihar and Assam and at Kanpur for U.P.

Note.--Incidentally both these movements over B.G. are in the direction of flow of empties, which enable economic transport.

All these measures will contribute considerably to increase line and junction capacities so as to meet the progressive increase in the demand for rail transport.

Inadequacy of wagons.—At the end of 1953, the Railway Board made an assessment of additional number of wagons required to handle the potential traffic, which was then being denied movement, on the basis of:

- (1) the then existing power and sectional capacities; and
- (2) the improvement in capacity that would result from completing certain works which were then in hand.

This assessment was based on a rapid survey and took into account only the more important anticipated developments of the rail transport capacity as could then be visualised and was by no means all-embracing, particularly as at the time it could not be envisaged as to how many of the other development plans would be completed within the First Five Year Plan. Moreover, the assessment had taken into account certain railway development plans expected at that time to be completed within the First Plan period; and some of these, on further scrutiny made some time in August 1954 of the progress of the different works, were not expected to be completed within the First Plan period. Accordingly during September 1954, the Railway Board made another assessment of the additional number both of wagons and locomotives required by the end of the

First Five-Year Plan, taking into account the progress of the different railway development schemes.

Wagon requirements on account of increased Traffic.—The following statement gives an estimate of the additional number of wagons required for increased traffic up to the end of the First Plan period, i.e. by 31st March, 1956, over and above the *effective* wagon holding as on 30th April, 1953 (the element in it of over-age stock being not more than 10 per cent. of the holding). The details of the calculations on the basis of which the figures in this statement have been arrived at may be seen in Appendix XI.

Estimate of additional railway wagons required by the end of 1955-56

Explanation for the need	B.G.	M.G.	N.G.	Total
1) Wagons required on free routes (i.e. on which there are at present no limitations) to ensure that not more than two days average holding remains on hand.	2720	5000	..	7720
2) Wagons required to meet the increased demands for movement of coal from Broad Gauge.	8140	..	..	8140
Wagons required to meet increase in the capacity at break-of-gauge transshipment points (excluding coal from Broad Gauge).	2785	5215	..	8000
Wagons required to carry general goods traffic (other than coal) with the expected increase in capacity in certain sections as a result of works likely to be completed within the First Plan Period.	1540	1360	..	2900
Wagons required to meet additional demands arising out of the completion of certain new industrial schemes and new railway lines during the First Plan Period.	2250	750	..	3000
Wagons required to meet the general increase in traffic as a result of the implementation of the Five Year Plan. (After making due allowance for anticipated improvement in operational efficiency).	2110	1385	..	3495
Wagons required to meet contingencies not foreseen in the preceding entries.	1200	800	..	2000
Total required for additional traffic	20745	14510	..	35855
Wagons required against overaged stock still retained for service at the end of the First Plan Period.	6937	1511	4036	12484
GRAND TOTAL	27682	16021	4036	47739

Estimate of percentage increase in the Wagon holding during the entire First Five Year Plan Period against requirement both for increased Traffic and Rehabilitation Account.—From the figures it will be seen that the total effective stock required to be retained in service on 31st March, 1956, i.e. the end of the First Plan Period for dealing not only with increased traffic but also the stock required against replacement should as shown below:

	B.G.	M.G.	N.G.	Total
Total effective stock as on 31st March, 1953	1,65,287	65,368	8,153	2,38,808
Additional No. of wagons required to be procured both for increased traffic and those required against replaced wagons	27,682	16,021	4,036	47,739
Total effective stock required as on 31-3-56 for dealing with both the increased traffic and that required against replaced wagons.	1,92,969	81,389	12,189	2,86,547

The above calculations however pre-suppose that out of the additional number of wagons required during the last two years of the First Plan Period for the general anticipated increase in traffic of 3 per cent. per annum, 1 per cent. per annum will be found from the expected improvement in operational performance. As 1 per cent out of the total general anticipated increase of 3 per cent per annum was expected to be offered for limited routes and as such would remain unsatisfied, the provision for the remaining 1 per cent only was made in item 6 of the table above on account of the additional number of wagons required for general increase in traffic during the last two years of the First Plan Period; and this was assessed at B.G. 2110, M.G. 1385; Total 3495. As such, this number is also required to be found from improved operational efficiency and has therefore to be added to the total effective stock required as on 31st March, 1956, which would therefore stand as under:—

B.G.	1,95,079
M.G.	82,774
N.G.	12,189
Total	2,90,042

To determine the percentage increase in the wagon holding required during the entire First Five Year Plan, the above figures have to be compared with the effective stock as on 1st April, 1951 i.e. the beginning of the Plan. But as the latter figures in terms of 4-wheelers are not available and cannot be extracted from the age statements of stock as furnished by Railways due to different systems having been followed in compilation by different railways at that time, the statistical figures available in units as on 1st April, 1951 are being converted into 4-wheelers *pro-rata* to similar figures

in units and 4-wheelers as are readily available for 1st April, 1953—
as per details appended below:—

	B.G.	M.G.	N.G.	Total
As on 1-4-51 in terms of units . . .	1,51,485	43,509	4,100	1,99,094
As on 1-4-53 in terms of units . . .	1,55,529	55,387	4,925	2,15,841
As on 1-4-53 in terms of 4-wheeler . . .	1,65,494	65,447	8,178	2,39,119
As on 1-4-51 in terms of 4-wheeler . . .	..	..	..	2,20,397

From this it will be seen that the increase in the holding during the entire First Five Year Plan is required to be 2,90,042 minus 2,20,397=69,645. This forms an increase in the holding of wagons during the entire First Five Year Plan of 31.0 per cent. over the effective holding of stock as on 1st April, 1951.

Additional requirements on Locos on Account of Increased Traffic.—Inadequacy of Locomotives.—On the basis of the assessment for additional number of wagons required for increased traffic upto the end of the 1st Plan period—as shown above—the additional number of locos required for handling the additional number of wagons required for increased traffic upto 31st March, 1956 would be as shown below @ 1 loco=52½ wagons:

	Locos required for increased traffic
(a) For an additional 20,745 BG wgs.	395 BG
(b) For an additional 14,510 MG wgs.	276 MG
(c) For a total of 35,255 BG, MG wgs.	671 BG/MG

The effective locomotives on the line on 31st March, 1953 numbered 8412 (5223 B.G., 2811 M.G. and 378 N.G.). Details of the number of locomotives which are over-aged, the orders already placed for new locomotives, the number required for replacement etc. are given in the statement at Appendix XII. It will be seen therefore that an additional number of 826 locos, consisting of 270 B.G., 404 M.G. and 152 N.G. will have to be ordered for, if the requirements of increased traffic and the programme of replacement of overaged stock are to be met adequately.

Additional requirements of Brake Vans and Ancillary facilities for maintenance of additional Rolling Stock.—Provision is also required to be made for a similar number of brake vans as for locos mentioned in the preceding paragraph. The development of ancillary facilities for maintaining the additional stock of wagons and locomotives as mentioned above and their utilisation to the maximum extent possible has also to be taken in hand simultaneously with the action taken for procurement of aforesaid additional rolling stock.

These assessment lead to the conclusions that by the end of the First Plan period the railways should develop their transport capacity to carry 30 per cent. increase in the level of goods traffic over that at the beginning of the Plan. Reference has already been made to the detailed plans now under implementation for increasing the line capacities over congested sections and also to meet new demands. The Railways procurement programme for rolling stock has already been stepped up considerably as orders actually placed for the purchase of locomotives and goods wagons exceed the number provided in the Plan by 50 per cent. More yet remains to be done and it is presumed that the Railway Board are taking necessary action to procure as early as possible additional number of wagons and locomotives required to meet the increasing demands of traffic. It is further understood that in giving effect to this procurement programme due note will be taken of the capacity of the indigenous wagon manufacturers.

The Railway Board have also initiated several investigations into the different aspects of railway operation and an Efficiency Bureau has been set up to make a continuous effort to improve operational efficiency. It is hoped that as a result of these measures there will be a substantial improvement in the utilisation of wagons and power—thereby increasing their turn-round substantially and affording considerably greater benefit to the wagon pool.

The problem of availability of rail transport was also discussed at the last meeting of the National Users' Consultative Council held on 19th and 20th July 1954. The members generally appreciated the present policy of the Government regarding procurement of wagons which was aimed at avoiding large scale import and at obtaining all supplies from indigenous sources as far as possible. They however felt that until these supplies were received in adequate numbers, the existing wagon stock and engines should be more intensively and effectively used in order to improve the transport position substantially. The following important measures have accordingly been initiated by the Ministry of Railways.

- (i) *Increasing the hours of work in the goods sheds, particularly the larger ones.*—At present most of the goods sheds work during day-light hours commencing from 7 to 17 hours. As this does not allow, in most cases, sufficient time for unloading and back-loading of a wagon on the same day (for each of which operation at least six hours time is normally required; and in addition a small margin of an hour or two is also necessary for transferring the wagons from inward shed to the outward shed i.e. a total margin of at least 14 hours is required, if not more), it is proposed to change the hours of work at the goods sheds from 6 to 20 hours.
- (ii) *Introduction of night transshipment and repacking of wagons.*
- (iii) *Introduction of night work on sick lines.*
- (iv) *Sorting separately heavy and light repair wagons and placing the same on separate sick lines for repair so that those requiring light repairs may be attended to within a few hours and turned out quickly for use.*

- (v) *Introducing night work in workshops particularly for stripping and painting of wagons.*—The aim here is to complete periodical overhaul of wagons requiring ordinary repairs within five days. It is also proposed to work the machine shops round the clock in two or three shifts, so that the maximum output of finished stores is obtained.
- (vi) *Effective check on detention to wagons in each stage of operation by the following expedients.*—
- (a) Watching detention to damaged wagons in yards before placement on sick lines.
 - (b) Watching detention to wagons held up for repairs awaiting material.
 - (c) Watching through the control phone detention to damaged wagons detached at road side stations including those requiring transhipment.
 - (d) Changing the existing rules by laying down that if the consignee does not turn up within three hours of the placement of a wagon for unloading an 'L' condition consignment, the Railway Administration should arrange to release the wagon and recover the cost thereof from the party at the time of delivery, together with any demurrage charge that may accrue in consequence of the delay in the party turning up for delivery.
 - (e) Reducing to the minimum detention to wagons in the yards.
 - (f) Insisting on the factory sidings having pilot to pilot free time to back load wagons within the same time if outward goods are available. In such cases no supply of empty wagons is proposed to be made where inward loaded wagons are available or are in the course of transit. In the case however of coal sidings it is proposed to limit the free time of loading to 6 hours round the clock or more if due to operating reasons wagons remain longer in a siding. Although this may mean a little extra expenditure for loading, it is expected that the trade would not mind it in the larger national interest of the country.
 - (g) Regular running of shunting trains for clearance or supply or wagons from and to the road side stations.
 - (h) Reduction in the number of wagons utilised for re-packing.
 - (i) Reduction in the number of metre gauge wagons utilised for transhipment not only of loco coal but also coal for bigger industries from broad gauge wagons. The carrying capacity of metre gauge wagons varies from 12 to 14 tons, while that of broad gauge wagons varies from 20 to 23 tons. The aim here is to make it possible to transfer the contents of one B.G. wagon

in less than two M.G. wagons. In fact the Western Railway has been transshipping contents of six B.G. wagons of coal into only 10 M.G. Wagons.

- (j) Reduction in the detention caused to wagons by Railway Departments.
- (k) Keeping to a minimum pockets of wagons at transshipment points
- (l) Spotting out detained wagons in important yards by taking an occasional census.
- (vii) Rationalisation of traffic movements by cutting down the cost of transport to the minimum and ensuring greater output and speed of movements by taking advantage of the following two important features of railway operation:
 - (a) The cost of transport per ton mile on B.G. is half of the cost on M.G.
 - (b) There is a well established trend of movement of empty wagons in certain directions.

NOTE.—The principle behind the last proposal is that the age old practice of booking and moving goods *via* the cheapest route does not fit in with the cheapest cost routing. This is proposed to be achieved by replanning traffic movements in such a manner as to utilise the empty wagon movements to transport certain goods even if it be a longer route so that the cost to the Administration is reduced to the minimum and greater output and speed of movement is ensured. This might also be achieved by inducing the movement of empties to return *via* routes where traffic may be awaiting clearance and in some cases by arranging coal movements in covered wagons only for sections, stations where traffic may be awaiting. If, however, such replanning of transport could replace certain long hauls on the M.G. system even if it involves double transshipment, there will be a substantial saving not only in the cost of transport but also in Metre Gauge Wagons and Engines.



CHAPTER VI.—GENERAL ASSESSMENT OF TRANSPORT REQUIREMENTS
ARISING OUT OF THE IMPLEMENTATION OF THE FIVE YEAR PLAN AND
THE ROLE TO BE PLAYED BY DIFFERENT FORMS OF TRANSPORT.

Before proceeding to the general question of transport requirements in the future, we would like to say a few words about the complaints made by the State Governments and the reply of the Railways as given in Chapter III. The complaint can be broadly classified into three categories, namely,

- (A) those relating to inadequate allotment of the material to the State as in the case of coal, cement, iron and steel, etc.;
- (B) those relating to non-availability of the full quantum of railway wagons required for movement of essential goods; and
- (C) those relating to demand for new railway connections.

2. As regards (A), the allotment to various States and to various users are made by agencies other than the Railways. In the case of coal, it is the Coal Commissioner, and for iron and steel and cement, it is the Ministry of Commerce and Industry who makes the allotments. It is true that in the case of coal there is no scarcity of the commodity as such and the need for rationing has arisen because the transport available is not adequate to meet the entire demand all round the year. In the case of cement and steel, the total production in the country falls short of the demands and, as such, controlled distribution becomes inevitable. In these cases, except in regard to movement *via* sections with limited capacities, transshipment points and ferry crossings, transport is not the limiting factor. Coal forms the largest single item carried by the railways and accounts for 25 per cent. of the total revenue earning traffic over the broad gauge system and about 7 per cent on the metre gauge system. In view of its general importance to industry, we have dealt with the problems relating to coal transport exclusively in an earlier chapter.

3. From the account of the measures taken by the railways to increase line capacity and rolling stock and to remove existing bottlenecks, as detailed in Chapter III it is clear that the Ministry of Railways are fully aware of the existing difficulties. These measures will go a long way towards enabling a freer flow of traffic. We are, particularly, glad that steps have been taken to improve the transport capacity so as to considerably ease the position at the well known bottlenecks, namely, the river-rail transshipment points on the Ganga, the break of gauge transshipment points at Agra-East Bank, Sabarmati and Viramgam, and the east-coast line *via* Waltair and Bezwada. The construction of the link between Khandwa and Hingoli will also relieve the difficulty to a great extent by enabling freer movement of meter gauge wagons from

north to south.

4. We also note the efforts made by the railways to increase operational efficiency. We hope that the Efficiency Bureau, which has been recently set up, will be able to bring about a substantial improvement in operational efficiency. We note that in calculating the requirements of wagons only a margin of one per cent. per annum has been allowed for improvements in operational efficiency. We feel that that is a very low figure and that it is essential to aim at a much higher percentage.

5. According to our terms of reference, we are expected to study the data regarding targets of additional production and demand on regional basis and work out the additional transport capacity required to be created for facilitating the movement of traffic arising therefrom. We realised from the very beginning that, constituted as we were, it would not be possible for us to work out in any great detail the requirements for transport region-wise. The Railway representative on the Group, however, undertook a fairly detailed analysis of the traffic requirements in consultation with the different railway administrations and this study helped considerably in arriving at the estimate of wagon and loco requirements indicated in Chapter V. We, therefore, propose to confine ourselves in this Chapter to a general assessment of these requirements in the light of the views expressed by trade and commercial interests.

6. In an interesting note examining the bottlenecks in the country's goods transport. Shri B. V. Vagh of the Indian Roads and Transport Development Association had made an attempt at assessing the country's transport requirements consequent on the implementation of the Five Year Plan. He based his estimates on a comparison of the national income of India with other industrially advanced countries. Broadly, he felt that on the basis of national income alone India would require 6,00,000 of railway wagons and 5,00,000 of road trucks as compared with the present number of 2,00,000 wagons and 2.75 lakhs of trucks, the latter figure, including 89,334 motor-trucks and 1,95,000 trucks, being the equivalent of 96,00,000 bullock carts. After making an estimate of the additional production expected as a result of the implementation of the Five Year Plan and after taking into account the difference in the nature of the economy in U.K. and in India, he came to the conclusion that an increase in transport capacity of 30 to 33 per cent. would be needed in the country so as to meet the requirements arising out of the Plan. He calculated that about 62,000 railway wagons and about 85,000 road trucks would have to be added to the existing number. He then proceeded to point out that the trend all over the world was not to extend railways, except for long distance haulage, and that there was a tendency to depend on road transport to an increasing extent. In support of his point he quoted the fact that in U.S.A. between 1940—1945 the railways had dismantled about 26,000 miles of the railway tracks and that in U.K. about three-fourths of the country's expenditure on internal transport in 1949-50 was on road transport. He added that in U.K. road transport absorbed about 10 per cent. of the country's available resources against 3½ per cent. absorbed by Railways. He, therefore, advocated that in India railway development should be proceeded with cautiously. He

estimated that out of 62,000 wagons required, probably not more than about 20,000 could be expected to be added and suggested that in the place of the remaining 42,000 wagons, 1,15,000 road trucks should be added. Adding this to an estimate of 85,000 trucks required by road transport independently of the railways, he arrived at a figure of 2,00,000 trucks as the additional target to be achieved.

7. In their memoranda to the Railway Board and the Planning Commission, already referred to by us, the Federation of Indian Chambers of Commerce and Industry analysed the programme of rehabilitation and replacement announced by the railways from time to time and expressed serious concern about the expectation that even at the end of the Plan period there would be in use 25 per cent. over-aged locos and passenger coaches and 10 per cent of wagons. They pointed out that for expanding the country's steel capacity by one million tons, 22,500 wagons would be required that is, for expanding steel capacity alone an increase of roughly 10 per cent in the wagon holding would be required. They pleaded that enough funds should be made available to the railways so as to enable them to increase the wagon holding by 20 per cent. after replacing the over-aged stock. They added that a rough calculation of the transport requirements of some of the units in iron and steel, cement, paper, and vanaspati industries, which had applied for and been granted licences under the Industries (Development and Regulation) Act, gave a figure of 1,700 wagons a day, which was equivalent to 17,000 wagons on an average turn-round of 10 days.

8. These estimates were quoted again before us by the Indian Chamber of Commerce, Calcutta, who also drew our attention to the estimate of the Coal-Fields Committee that the total coal requirements from 1956 would be slightly over 41 million tons against the current requirements of 34 million tons. The Indian Chamber of Commerce also pleaded for a bold plan for the opening of new lines in unexplored areas and further suggested that the railways should plan out their programme of development in such a way that they would be able to meet the anticipated future requirements during the next 10 or 15 years. In their view it was necessary to increase the route mileage of the railways during the next five years, by at least, 10,000 miles. They also pleaded for a vigorous programme of expansion of road construction and road transport industry. Their representatives urged before us that if the restrictions under the Motor Vehicles Act were removed, there would definitely be scope for at least 1,00,000 vehicles in the country for carrying goods.

9. In the first instance we would like to avail of this opportunity to point out some of the fallacies and contradictions involved in the arguments put forward by the critics of Government's policy whom we have quoted above. It is true that in the U.S.A. above 26,000 miles of rail track were abandoned in recent years. This, however, was due to a number of reasons, viz., exhaustion of natural resources, rationalisation of rail-road plans, re-locations of industry and the development of motor vehicles transportation. Also it was mainly the short branch lines which were abandoned. The percentage of lines abandoned was only about 8 in a country provided with an extensive rail-road system. In the U.K. railway development has practically reached saturation point and it is not surprising that the

fresh expenditure incurred on railways is less than that devoted to road transport. The Federation had also stated in the memoranda that the railways alone would not be a position to shoulder the increased traffic requirements and suggested that there should be an integrated development of all means of transport, namely, railways, roadways, inland waterways and coastal shipping. At the same time they pleaded that salt should be enabled to move freely from Saurashtra to other parts of the country by rail as movement by sea meant additional cost.

10. We do not consider it either feasible or necessary to work out any abstract estimate of the total transport requirement arising out of the plan. We feel that there is a considerable degree of unreality in comparing India with other industrially advanced countries on the basis of national income. The manner in which the income is earned and the way of living of a people are important factors and we can say that although the transport facilities available in the country up to the out-break of World War II were inadequate for the economy of the country, we were not so conscious of the inadequacy as we are today. Since the attainment of independence the country is progressing more directly towards an industrialised economy and there is no doubt that there has to be an adjustment of the transport facilities to meet the new tempo of development.

11. The Five Year Plan will both during and after its implementation, result in a considerable addition to the traffic to be moved in the country. According to the targets under the Plan, the percentage of increase in some of the main agricultural groups will be as follows:—

Commodities	Quantity in millions	Percentage increase.
Foodgrains	7.6 ton	14
Cotton	1.26 bales	42
Jute	2.09 bales	63
Oilseeds	0.4 tons	8
Sugarcane	0.7 gur tons	12

The additional production and movement envisaged under the plan in respect of a few important commodities is given below:—

	Tons.
Cement	2,108,000
Steel	394,000
Pig iron	310,000
Textiles	528,000
Heavy chemical	156,000
Coal	4,000,000
Foodgrains	7,600,000 (40+ of this may be assumed to require movement.)
Oil seeds	400,000
Jute	373,214
Cotton	220,500
Salt	429,000
Gypsum	765,000
Sulphur	35,000
Iron ore	1,325,000
Limestone	423,000
TOTAL	19,066,714

12. Assuming that all these additional quantities require movement by rail, this will represent an increase of 15·2 per cent. over the figure of 89·39 million tons of goods carried in the year 1950-51. It will be noticed that this list does not include manufactured products such as cotton textiles, jute goods, sugar etc. A recent review of trends in agricultural production has shown that the additional foodgrains production in 1953-54 had risen to not less than 12·0 million tons, thereby exceeding considerably the target of 7·6 million tons. In the case of cotton, against a planned increase of 1,260,000 bales, an increase of 1,030,000 bales has already been achieved by 1953-54. The production of oilseeds, which was expected to increase by 400,000 tons, actually registered an increase of 500,000 tons in the same year. In the industrial field, production has risen from an index of 105 in 1950 (base year 1946 100) to 135·0 in 1953 and to 148 in the first five months of 1954; an all time record. Since the beginning of the Plan, the cotton textile industry has been expanded by the installation of nearly a million new spindles, from 10·9 millions to 11·7 millions. The mills had already in 1953-54 reached the target of 4,700 million yards of cotton cloth per annum and very nearly reached the target for cotton yarn of 1640 million pounds.

13. This progress has to be compared with the movement of principal commodities by rail during the period 1951-52 to 1953-54. To facilitate such a comparison, a statement showing the wagon loading on the railways during that period is given at Appendix XIII. This reveals that cotton, jute, cement, sugar, manganese and iron ore, tea and "miscellaneous smalls" have gained in 1953-54. The increase in the number of wagons loaded during these years is, however, disproportionately small compared with the expansion in industrial and agricultural production. It appears that the gain recorded by a few commodities has been at the expense of others.

14. In addition to meeting these increases in demand for transport, proper planning requires that the transport system should be so devised as to be able to meet peak demands without disturbing or dislocating normal traffic appreciably, although from the point of view of railway working this would result in a substantial portion of capacity remaining idle during slack periods. The railways should, however, be prepared to face this contingency in the present context of an expanding economy.

15. Regard being had to these considerations and the current shortage, we feel that it would be reasonable to provide for a 30 per cent. increase in the transport capacity of the country.

16. Railways—Back Bone of Economy.—The question next for consideration is the proportion in which the additional development should be shared by the different agencies viz. the railways, road transport, inland water transport and coastal shipping. There is general agreement that at least for long distance internal travel or transport of goods the country will have to continue to depend mainly on railways. There is already a large-sized railways system and with the availability of adequate supplies of coal and cheap electric power from the many multi-purpose projects in the country, it can be expanded without outside aid. In an emergency also their usefulness for carrying troops and military stores is patent in spite of their

vulnerability to enemy air attacks. We should, therefore, continue to develop and expand the railways as much as we can. But that does not mean that other forms of transport should be neglected. The best course, in fact, is to develop road transport, inland water transport and coastal shipping simultaneously with the railways and in such a way that they supplement each other and avoid over-lapping. Our resources for development of other forms of transport may, however, be limited for unlike the USA, where, for instance, road transport plays a significant role in the transport of goods, we do not have unlimited supplies of petrol and oil and a powerful automobile industry. Nor have we any large-sized shipbuilding industry to cater to the needs of expansion in the spheres of coastal shipping and inland water transport. It is, however, significant that the freight traffic handled by the highly developed road transport system in the USA was not more than 12 per cent. of the total in 1951, for which year the figures are available. The following table will be of interest in this connection:—

Distribution of inter-city freight traffic among transportation agencies (excluding coastal traffic) in the U.S.A.

Agency	Ton miles in millions				Percentage of grand total			
	1939	1949	1950	1951	1939	1949	1950	1951
Railways	338,850	534,694	596,940	655,354	64	60.56	58.77	58.57
Highways	48,931	93,653	125,995	133,160	8	10.61	12.40	11.90
Waterways	88,897	139,396	163,344	178,000	17	15.79	16.08	15.91
Pipelines	35,602	114,916	129,174	152,115	11	13.02	12.72	13.59
Airways	12	235	308	378	..	.02	.03	.03
Grand Total	527,292	882,894	1,015,761	1,119,007	100	100.00	100.00	100.00

In view of the position explained above, it is apparent that the railways should continue to have pride of place in our development programme, though simultaneously other forms of transport should also be developed to the maximum of our capacity, particularly as they have been much neglected hitherto.

17. We feel, therefore, that it is necessary to sound a note of caution against the acceptance of the idea that the Railways are an out-moded system of transport and that our country should rely increasingly on motor vehicles in future. The importance of railways to meet the major portion of the demand for increased transport is patent and steps must be taken to expand the railways to areas yet unserved by them, particularly if the needs of long-distance travel and traffic so require. Railway construction should, however, be discouraged in areas already served satisfactory by road transport. Similarly, where river transport can be made possible, we should encourage it and keep the railways out. The fundamental policy in the development of the various modes of transport should be for railways to serve long-distance movement, road transport to cover, as far as possible, the demand for short-distance movement, inland waterways

to be utilised increasingly for cheaper means of transport to the exclusion of all other forms of transport, if necessary, and for coastal shipping to expand and relieve the Railways to divert their expansion in the interior. The functioning of road transport as a feeder to and link with the railways should also be encouraged.

18. We have estimated 30 per cent increase in the railway capacity by the end of the First Plan period to meet the increased demand for transport and have consequently placed the additional requirement of wagons as being 30 per cent. of the holdings at the commencement of the plan. We reiterate the hope that expeditious action will be taken to complete the placing of orders for the required number of wagons and locos.

19. **Additional measures for Relieving strain on Railways.**—It is necessary to examine whether in addition to the measures for increasing the rolling stock and the line capacity, any other steps be taken to reduce the demand on the railways and whether it is possible to re-adjust the Railways' own policy in certain respects so as to facilitate better movement of goods.

20. As has already been stated in Chapter I, the first essential is for a change in the psychological approach to the problem of transport and to have a realisation of the importance of developing other means of transport in the country. At present, while the Railways freely admit their inability to carry the traffic offering, there is often a tendency to oppose any measures that may be deemed necessary for developing or expanding other means of transport. While the anxiety of the Railways to safeguard their future is understandable, we feel that in the present context of an expanding economy, greater opportunities should be given for the development of other forms of transport. We would even go further and say that an element of competition will provide a healthy incentive to more efficient working of the Railways. We, therefore, consider that the Railways themselves should welcome any reasonable measures that may be taken to relieve the strain on them.

21. As a first step, it will be useful if they could examine the extent to which economies are possible in the movement of materials and stores for their own operation. We are aware that at present the Railways are moving substantial quantities of their own coal requirements by the rail-cum-sea route, thereby releasing a number of wagons for general use. It may have to be examined to what extent this could be extended. With the enormous increase in the electric power resources of the country resulting from the large number of hydro-electric power projects which are now under execution, it should be possible in due course for the railways to change over to electricity from coal as the motive power where such power is available. This may give considerable relief to industry and trade as capacity will then be available for movement of coal and other

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sections to passenger buses. Yet the Railway systems all over the world are ordinarily compelled to pay greater attention to passenger traffic as the users are more vocal and influential, and this is more so in a heavily populated country like ours. A glance through the annual debates on the Railway budget in the legislature will reveal the extent to which matters relating to passenger traffic are given prominence. We find that on the Indian Railways, unlike the other important systems of the world, while the total revenue derived from goods exceeded the income from passengers by 46 per cent. in 1952-53, the goods train miles run were only 75 per cent. of the passenger train miles run. During the years 1952 and 1953 there was noticeable decline in the number of passengers travelling by rail, but that was due mainly to the slump in the money market. Since 1954 the position has been not only stabilised, but an increase has actually been registered. With the development of the motor transport industry, however, a drift towards road travel is inevitable, though on account of the general increase in the demand for travel this will not be noticeable for several years to come and will in fact relieve the existing over-crowding on the railways.

23. Diversion of smalls to Road.—A reference has already been made in an earlier paragraph to the difficulty experienced by small industries and individuals in consigning "smalls" by the Railways. As may be seen from the table at Appendix XIV, during the year 1940-41 the percentage of "smalls" to the total number of wagons loaded was as high as 23.1 on B.G. and 25.9 on M.G. During the war years the loading of "smalls" naturally declined and in 1944-45 this came down to 9 and 10.9 respectively. In 1952-53, the figures were 7 and 11.2 respectively, and there has been some improvement in 1953-54 when the figures rose to 7.7 and 14.10 per cent. respectively. As a result of frequent booking restrictions, consignors of "smalls" are often forced to despatch the materials as parcels by passenger trains at a very much higher rate. Parcel traffic is thus assuming increasing importance with the result that platforms on railway stations are often cluttered up with different kinds of parcels awaiting despatch. While the Railways thus appear to derive a benefit from the shortage of capacity in goods trains, the community at large has to suffer on this account. Consignments of "smalls" meant for short distances upto 150 miles are ideally suited for transport by road, particularly because of the advantages of safer handling, reduced pilferage, door to door delivery etc. The rates of freight by road will also not exceed parcel rates by rail. Substantial quantities of "smalls" are already moving by road in areas where conditions are favourable, for example, in the Punjab where road transport services are well organised and movement is comparatively free from restrictions. The Railways will naturally be reluctant to allow any diversions of this traffic to the road on the ground that the cream of their traffic will be taken away and that they will only be left with low-rated commodities. It rates by rail. Substantial quantities are built up both by high-rated and by road in areas where conditions are fixed on the general principle of "when the Punjab where road transport is only high rated traffic is diverted and movement is comparatively may be compelled to increase rates, the Railways will naturally be reluctant to this will not be in the larger nation the road on the ground that the it has to be remembered that having away and that they will only be

taxation and high cost of fuel, road services cannot normally afford to carry goods at rates less than the parcel rates on railways. We do not, therefore, foresee any appreciable danger to the railways, in the near future, of acute competition from road services. We might add that the diversion of "smalls" to road transport is inevitable, as is already apparent in many other countries. For instance, in 1950 in the U.S.A. the tonnage of "smalls" originated by class I railways was smaller than in any year for which the Inter-State Commerce Commission has records. Nearly two-thirds of the "smalls" formerly handled by rail and express services are now being carried by road in that country. We feel, therefore, that there should be no discouragement to the carriage of such consignments by road over limited distances not exceeding 150 miles.

We now proceed to examine the part that can be played by other means of transport, *viz.* road transport, inland water transport and coastal shipping, in meeting the needs of the country. We shall also briefly refer to the special problems facing these transport industries and the measures necessary to assist them so that they may play there appropriate role in future.



CHAPTER VII.—ROAD TRANSPORT—A GENERAL SURVEY

There has been considerable agitation during the last few years for active governmental support for the road transport industry in the country. Comparisons have been made with other countries, particularly the U.S.A., and it has been pointed out that the number of motor vehicles in this country has actually started decreasing instead of going up. It has been stated that the industry suffers from four major disabilities, which are deep-rooted, namely:—

- (i) Intolerable tax burden.
- (ii) Discouragement of inter-regional and inter-State permits.
- (iii) Feeling of uncertainty through nationalisation and issue of short-term permits.
- (iv) Inadequacy of roads.

2. **Some facts relating to motor transport in the U.S.A.**—Before proceeding to deal with this criticism, we would first like to state certain facts relating to motor transport in the U.S.A., as the example of the development in that country is repeatedly quoted, and then give a few facts regarding the industry in India. It has already been pointed out that highway traffic represented only 12 per cent of the total intercity freight traffic handled by all the agencies in the United States of America in the year 1951. Certain figures of motor vehicles registration in U.S.A., excluding public owned vehicles, at different stages during the period of 1920—1949 are given below:—

Motor Vehicles Registration in U.S.A.
(excluding public owned vehicles)
Trucks

Year	Passenger cars.	Buses	Number	% of total	Total
1920	8,131,522	Not available	1,107,639	12.0	9,239,161
1930	22,972,745	40,507	3,518,747	13.3	25,531,999
1940	27,372,397	72,641	4,590,386	14.3	32,035,424
1947	30,718,852	128,983	6,512,628	17.4	37,360,463
1948	33,261,454	133,430	7,227,380	17.8	40,622,264
1949 (Estimated)	36,434,000	209,000	8,028,000	17.99	44,671,000
1950					49,176,796
1953					54,709,000

3. It will be seen that there has been a rapid growth in the number of private passenger cars and trucks since 1940. Over four-fifths of the number of trucks were private carriers owned by industries or establishments moving their own goods.

4. Such a development has naturally led to considerable expenditure on the construction of roads and their maintenance and also to diversion of traffic from the railways to the roads. It has been estimated that the total amount spent annually for highway improvement by Federal, State and local governments averaged 2 thousand million dollars in recent year. Yet the outlay on roads is considered inadequate and road transport interests in that country continue to press the Governments concerned for more and better roads.

5. Public and private carrier trucks are growing bigger and bigger in size needing correspondingly stronger and wider roads. The criticism has been made that the enormous cost involved in constructing such roads is being incurred to meet the needs of a very small percentage of vehicles. The following quotations from some of the authorities responsible for highway development will be of interest:—

“State Highway Department are required to build a heavy system of roads for relatively few vehicles.”

“We are overloading our highways in their traffic volume capacity and in their structural capacity. The results are so costly both to individuals and the public that they total a disgraceful and extravagant waste in the nation's true economy.”

“Greatly augmented and still increasing number of heavy trucks and trailers operating for long distance at high speeds is destroying our roads faster than we can find the money with which to replace them.”

“The worst abuse which is responsible for a large part of the damage to the highways is overloading of trucks for beyond the permissible limits laid down by law.”

6. All this development has naturally had an adverse effect on the rail-road system. In the two years of 1947-49, rail road freight ton miles in the U.S.A. decreased by 20 per cent. and highway ton miles increased by about 78 per cent. The Railways have also suffered losses in revenue for more severe than the number of ton miles diverted would indicate. The revenues of the regulated motor carriers in 1948 were 34.7 per cent of railway revenues while the total freight carried by them was only 6.6 per cent. of rail-road ton miles. These motor carriers, therefore, received revenues equal to more than one-third of the rail freight revenues for handling approximately 1/15th as many ton miles as rail-roads handled. This is because trucks carry high-rated traffic since they pick and choose what they will carry whereas rail-roads must accept any and all freight tendered. As a result, highway trucks have concentrated on diverting from the railways the cream of the traffic. Also, the motor carriers often serve only important terminal points, thus avoiding the delays and costs inherent in service to intermediate points. The Railways on the other hand are required to serve all consignors and consignees on their lines.

7. It has been estimated that in the United States, all the States together obtain over a fourth of their tax receipts from taxes on motor vehicles. Some States derive nearly half their total tax revenue from the motor users. The taxes include Federal and State Tax on gasoline, Federal Excise Tax on motor cars, lubricating oils, tyres and

tubes, parts and accessories, and State registration fees. In addition, the motor vehicle user has to pay tolls and special city and country taxes.

8. In India, we are still far away from the stage of either excessive strain on the roads or of acute competition between road and rail. A phase of road-rail competition was experienced in the thirties of this century and there is good justification for keeping this danger in mind but as we have already stated earlier, we do not consider this danger to be imminent.

9. *Motor Transport in India—some facts.*—The following figures relating to the number of motor vehicles of different types taxed in India during the last quarter of each of the years 1948-49 to 1952-53 will be of interest:—

Last quarter of the year.	Motor cycle	Private cars	Taxis	Buses	Goods vehicles	Other vehicles	Total
1948-49	22,810	1,33,399	10,607	27,275	72,926	2,652	2,69,609
1949-50	27,160	1,43,653	10,788	30,317	78,537	4,282	2,94,727
1950-51	26,860	1,47,712	11,551	34,411	81,888	3,891	3,06,313
1951-52	26,754	1,48,341	11,946	34,234	84,171	2,905	3,08,351
1952-53	29,124	1,56,154	13,261	39,449	90,075	5,155	3,33,219

Figures showing the civil consumption of motor spirit in India during recent years are also given below:—

Year	Consumption Million gallons.
1951	176·051
1952	246·030
1953	242·715

Comparative statement showing the civil consumption of motor spirit in India during the first six months of 1953 and 1954.

(Figures are in million gallons)

Month	Consumption of motor spirit in	
	1953	1954
January	21·574	21·325
February	21·059	21·112
March	22·405	23·134
April	22·319	22·942
May	22·560	23·029
June	21·023	21·301
TOTAL (Six monthly)	130·940	132·843
Average monthly	21·823	22·140

The increase shown in the number of vehicles may be due to improvement in recording statistics, particularly in the former Indian States integrated with the rest of India. On the whole, however, there does not appear to have been any decline in the number of vehicles. The figures of consumption of motor spirit also indicate the steady maintenance of the position during recent years.

10. Out of the total of over 90,000 goods vehicles in the country, the majority are public carriers as will be seen from the following figures showing the number of public and private carriers in March, 1954, which do not include figures relating to the States of Assam, Orissa, Mysore, Saurashtra, Travancore-Cochin and Coorg:—

	Public carriers	Private carriers	Total
March 1954	44,800	13,359	58,159

This is quite unlike the position in the U.K. and the U.S.A. As already pointed out, in the U.S.A. out of a total of over 8 million trucks registered in 1949, nearly 4/5ths were owned by industry and establishments moving their own goods. In the U.K. in 1951, the number of A, B and C licences is indicated below:—

A & B	119,000
C	795,000

It will be seen that the number of holders of C licences, namely, private carrier licences, far exceeds the number of public carrier licences in the U.K. In India, the industrial and manufacturing establishments are apparently reluctant to use motor transport for moving their own raw materials and goods to any appreciable extent.

Apart from the fact that industrial and business establishments in this country are generally not big enough to maintain private carrier vehicles on an economic basis, the reluctance to use own transport is probably also due to the problems involved in running a fleet of motor vehicles, like inadequacy of reliable and economic repair facilities, the heavy cost involved in maintaining a private workshop, the absence of a return load for economic operation, etc.

11. Further, except in one or two States like the Punjab, goods lorries are distributed among individual owners owning one or two vehicles each. There is also a tendency on the part of the operators to crowd round important industrial cities or to concentrate on routes parallel to the railways with a view to having a share in the available traffic. Except for a few units, the industry is on the whole very badly organised. A large part of the fleet, even with these better organised units, is overaged. Even the lorries already available apparently do not have full employment all-round the year as the demand for transport in the country is largely seasonal. The Planning Commission had made an attempt to assess the idle capacity in the existing road transport services and

from the replies so far received it has been found that the percentage of vehicles on the road to the total number worked out to 55 in Orissa, 73/78 in Pepsu, 66 in Himachal Pradesh, 53 in Madhya Pradesh, 67 in Bihar and 46 in the U.P. It is, however, difficult to assess the idle capacity with any degree of accuracy, but there seems to be an unutilised capacity to the extent of about 30/40 per cent. The main reasons for this unutilised capacity are:—

- (a) a number of vehicles being unserviceable in the absence of adequate repair facilities;
- (b) lack of confidence on the part of the public in individual truck owners;
- (c) absence of any proper business methods on the part of such owners;
- (d) absence of set rules for bookings;
- (e) the general disinclination of the operator to undertake to pay compensation for the loss of goods in transit;
- (f) absence of a definite system of rates, etc.

12. The Technical Sub-Committee of the Subject Committee on Transport in its report on the future of road transport and road-rail relations which was issued in November 1943, remarked as under:

“Our picture of the future of rural India is one in which motor transport will penetrate to the remotest villages connecting them with the main transport system, and will play a gradually increasing part in marketing between village and market town and in distribution between town and villages. Thus the villager will have at his disposal, modern means of transport, readier communication with the outside world, medical attention and other social services to no less a proportionate degree than the town dweller. To attain this result, active development of roads and constructive development of road transport are necessary.”

This objective is still far from being attained. The same Sub-Committee proceeded to describe the reasons for the lack of development in rural areas in the following terms:—

“Flat rates of taxation, laissez faire in respect of competition between bus owners, the existence on routes served by rail of a stream of paying traffic ready to be attracted and the disposition of Indian enterprise to overcrowd on to a good thing, have all combined with road conditions to canalise buses on routes already served by railway, to the neglect of others.”

They, therefore, stressed that conditions should be created in which despite the handicap of poor roads, motor transport would spread over the country-side. They realised at the same time that as long as agriculture remained fragmented, mechanical tillage and harvesting would make slow headway and that so long as the prime mover of agriculture was the bullock the bullock would haul the crops to market. They further felt that so long as the

marketing transport was off season load for the farmer's cattle, the cattle and not motor transport would haul main staples with the possible exception of sugar-cane grown at distance from a mill.

This picture of our agricultural economy is still largely true.

13. Reasons for Slow Growth of Motor Transport in India.—
The slow rate of growth of motor transport in India is thus ascribable to the following reasons:—

- (1) Absence of sufficient length of good roads.
- (2) Low standard of living;
- (3) expensiveness of motor vehicle and high cost of operation.
- (4) Inadequate repair facilities.
- (5) The pre-dominantly agricultural economy dependent on age-old methods of cultivation, fragmentation of land, availability of cattle, etc., all of which factors rendered it uneconomical for the peasantry to think of using faster and more expensive means of transport.
- (6) The preference of railways to roads by the public particularly industry and trade.
- (7) Lack of proper organisation of the motor transport industry.
- (8) Policies pursued by Government including the high level of taxation, mode of control and fear of nationalisation.

14. We notice that suggestions have been made both in the evidence before us and elsewhere that in order to meet the increased transport requirements, the number of goods vehicles on the road should be increased by anything between one lakh to four lakhs within the plan period.

If the suggestion that there should be an addition of one lakh goods vehicles to the existing number within the next two years is accepted and assuming that all of them should be three-ton petrol vehicles costing about Rs. 16,000/- per goods vehicle the total cost would be Rs. 160 crores, an order of investment which, according to present indications, is not likely to be forthcoming. Further assuming that these vehicles are on the road for 340 days in the year and that they operate over a distance of 150 miles and each vehicle is able to complete a round trip in three days carrying a total load of 5 tons per such round trip, the total quantity carried would amount to 40 million tons. This is practically 40 per cent of the total tonnage of goods originating over the whole Indian Railway system now.

15. We feel that a more realistic objective would be firstly to enable replacement of over-aged trucks, secondly to obtain full employment for the existing trucks, thirdly to provide sufficient road transport capacity to carry the small traffic which the Railways are not now able to carry, and fourthly the provision of additional road transport in rural areas gradually. We would suggest as a reasonable and realistic target in the light of the current

manufacturing programme, an addition to the total road transport fleet for goods by 10,000 to 12,000 vehicles per year during the next two years apart from the replacement of over-aged trucks. A fleet strength of about 1,60,000 trucks by the end of the Second Plan Period would be a reasonable target to aim at. In addition, there has to be an expansion of passenger bus transport in accordance with the order of priority indicated in a later paragraph. It is, however, difficult to estimate the actual quantum of increase that should be provided for in regard to passenger transport.

16. We shall now proceed to deal with an analysis of the measures necessary for removing the obstacles to the growth of motor transport in the country, after indicating briefly the position with regard to the construction of roads.



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CHAPTER VIII.—ROADS

Figures showing the mileage of different types of roads in the country are given below:—

Mileage of Roads.— Mileage of Extra-Municipal Roads in India as on 31st March 1950.

	Metalled	Un-Metalled	Total
Part 'A' States	68,567	122,894	191,461
Part 'B' States	24,004	17,835	41,839
Part 'C' States	2,801	5,331	8,132
Part 'D' States	81	..	81
GRAND TOTAL	95,453	146,060	241,513

There is no doubt that for a country of the size of India, this mileage is very inadequate. This has been realised fully for over a decade and the final target for roads in the country has generally been accepted as that indicated by the Nagpur Plan for Roads. It is true that the implementation of that plan has not been as rapid as was visualised by the planners.

2. Provision in the Plan —After taking into account the adjustments in the Plan accepted by the Planning Commission as a measure for relieving unemployment, the current Five-Year Plan provides a total sum of about Rs. 134 crores for road development in the country. The break-up of this amount is as indicated below:—

(1) Central Sector :	Rs. crores
(a) National Highways	27.00
(b) Selected roads other than National Highways.	4.00
(c) Roads in North East Frontier Agency.	1.85
(d) Roads in A. & N. Islands	0.75
(e) Roads in Sikkim	0.24
(f) Grants to States for State roads of inter-State or economic importance	10.00
TOTAL	43.84

(2) States Sector:	Rs. crores.
(a) Part A States	57.73
(b) Part B States	25.59
(c) Part C States	6.72
TOTAL	90.04
GRAND TOTAL	133.88

An expenditure of about Rs. 23 crores is also being incurred on road developments from the Central Road Fund during the current Plan Period in addition to the provisions made in the Plan. Further grants are also being given to State Governments for the development of roads in Tribal and Scheduled areas under the provisions of Article 275 of the Constitution.

3. The State Road Development programmes have been generally framed on the basis of the principles enunciated in the Nagpur Plan, the most important of which is balanced development of all classes of roads. Within the financial limitations set in the Plan, these programmes provide for the development of all classes of roads including village roads. Development of village roads through cooperative efforts is also being encouraged. As a token of Central interest in the development of village road, a total grant of Rs. 60 lakhs to States has been allotted from the Central Road Fund (Ordinary) Reserve for construction of village feeder roads on a cooperative basis for a period of three years from 1953-54 to 1955-56. Further, village road development has been given a great fillip under the Community Projects and National Extension Service programmes. It is expected that under these programmes over 16,000 miles of village roads will be constructed during the current Plan period.

4. As the main object of the National Highways Scheme is to ensure continuous and well connected lines of communication along trunk routes in India, emphasis has been laid in the current Five-Year Plan on the construction of 'missing links' and the bridging of unbridged river crossings on the more important National Highways in the first instance. Provision has also been made for the improvement and upgrading of some of the existing roads and the reconstruction of weak bridges wherever necessary to meet the increased traffic needs.

5. Within the frame-work of this order of priorities, the National Highway Programme contemplates the construction of 640 miles of missing links, 40 large bridges, besides many small bridges and the improvement of 2,500 miles of existing roads by the end of the current Plan period, i.e. 1955-56. During the first three years of the Plan period, i.e. upto the end of 1953-54, construction of 300 miles of new sections of National Highways, improvement of about 2100 miles of existing sections of National Highways, and construction of 20 major bridges has been completed. In addition, construction of about 530 miles of missing links, improvement of 1,425 miles of existing National Highways and construction of 53 major bridges was in progress. In financial terms, a gross expenditure of Rs. 1193 lakhs was incurred on the development of National Highways during the first three years of the Plan period. The anticipated expenditure during the current year is Rs. 650 lakhs.

6. Many roads and railways in this country run parallel to each other. While it is unnecessary to examine at present the circumstances leading to this development, we consider that the development of feeder roads, especially feeder roads to rail heads, might be given more attention than in the past.

7. Where a new railway line is proposed to be constructed, the matter is referred to the Central Board of Transport for approval. We understand that the existing National Highway system was approved in 1945 (i.e. before the constitution of the Central Board of Transport), with the concurrence of all the Ministries concerned, including the Ministries of Railways and Defence. As the route alignments of the National Highways have already been accepted by all these Ministries, there is no need to make a reference to the Central Board of Transport in respect of National Highways, but the position with regard to State Roads requires consideration. We believe that Boards of Communications or Transport exist in some States and some of these Boards include representatives of railways also. We suggest that States which do not have such Boards may be asked to consider setting up of such Boards including representatives of the railways. States in which such Boards already exist but which do not include representatives of railways may be asked to consider giving representation to the railways. State Governments may refer to these Boards the broad plans of development relating to State Roads for their views before approving of the plans; but once such plans have been approved, the actual execution may be left to the State Public Works Departments after obtaining the approval or sanction of the State Government to the individual projects.



CHAPTER IX.—ROAD TRANSPORT—AN ANALYSIS OF THE FACTORS AFFECTING COST OF OPERATION.

The problem of road transport development is intimately connected with the economics of road transport operations. Unfortunately, adequate data are not readily available which would enable a close analysis of the factors chiefly influencing road operation. An attempt is, however, made here with the help of information available and specially collected for the purpose to evaluate the relative importance of various factors in road transport operations by which it may be possible to judge broadly what factors help or hinder in the development of economic and efficient road transport.

2. From the point of view of the cost of operation, the following factors are of importance:—

- (i) The incidence of Central, State and Local taxes;
- (ii) the effect of vehicle utilisation, i.e., effective miles per vehicle per day;
- (iii) the effect of good and bad roads;
- (iv) the effect of diesel or petrol operated vehicles;
- (v) the difference in the cost of operation with different makes of vehicles and their availability, on which depends vehicle utilisation (i.e. percentage of buses in the fleet in actual use);
- (vi) the effect of load factor.

Incidence of Central, State and Local Taxes on the cost of operation.—A statement analysing the actual transport operations of a State Transport Organisation for six months of 1953 to ascertain the incidence of various taxes on the cost of operation is given below:—

Incidence of various Taxes in State Transport operation.

(Based on the figures of 6 months i.e. April 1953 to September, 1953)

S. No.	Particulars of Taxes	Cost in Rupees.
1.	Motor Vehicle tax	14,89,177
2.	Registration fees	28,305
3.	Fitness Certificate fees	8,834
4.	Renewal of permit fees & number plate	6,149
5.	Wheel tax	62,851
6.	Octroi duties	1,09,809
7.	Taxes on Land and Buildings	51,418

S. No.	Particulars of Taxes	Cost in Rupees
8.	<i>Import or Excise Duty:</i>	
(a)	On vehicle chassis (Proportionately distributed)	5,90,677
(b)	On vehicle Kit —do—	44,977
(c)	On spare parts	7,28,630
(d)	On Tyres	7,89,775
(e)	On Petrol	8,00,127
(f)	On Diesel	1,69,658
(g)	Machinery	10,458
9.	<i>Sales Tax :</i>	
(a)	On vehicle chassis (Proportionately distributed)	1,04,454
(b)	On vehicle Kit —do—	17,458
(c)	On spare parts	1,62,208
(d)	On Tyres	3,18,879
(e)	On Petrol	3,20,051
(f)	On Diesel	31,475
(g)	Machinery	11,330
Total incidence of tax during six months i.e. April 1953 to September 1953.		58,56,701

		Percentage of total tax incidence to the item under consideration in 1 to 5 below.
1.	Total Cost	2,98,40,641 19.62
2.	Total Standing cost (overhead)	68,45,479 85.35
3.	Total running cost (operational)	2,29,95,162 ..
4.	Gross Revenue	3,22,20,805 18.18
5.	Net Revenue (4-3)	92,25,643 63.48

These figures indicate that the percentage of total tax burden to the total cost of operation is 19.62. Out of this, the percentage of Central taxes to total cost of operation is 10.5 and the percentage of State and Local taxes to cost of operation, is 9.1. The percentage of combined Central and State taxes to gross revenue of the Organisation is 18.18. It will be readily appreciated that the remissible part of taxation can only form a small percentage of the cost of operation. If we were to consider 25 per cent. of the taxation to be remissible, then it would imply that the relief in the total cost of operation will be to the extent of 5 per cent. The cost of operation for 12 months of a Government Road Transport Service is 225 pies per vehicle mile; assuming a mileage of 20,000 miles per vehicle per annum, the total cost of operation per vehicle per annum is Rs. 23,750. Taxation per vehicle per annum @ 20 per cent. will be $\frac{23750}{5} = \text{Rs. } 4,750$. The remissible part of taxation being taken at 25 per cent. of the total taxation, would amount to Rs. $\frac{4750}{4} = 1185$ per annum per vehicle. It must be pointed out, however, that the Government undertaking has got all the advantages of a large scale monopolistic operation. A private operator not

having such advantages will, however, be in a different position. For instance, similar figures furnished by a transport operator in South India reveal that the total tax element (Central, State and Local) represented 37.14 per cent. of the average annual earnings per petrol vehicle and 27.18 per cent. per diesel vehicle. His average cost per vehicle mile is claimed to be 132 pies and the cost of operation for 20,000 miles is Rs. 13,750 of which the element of taxation alone per petrol vehicle is Rs. 5084 and per diesel vehicle Rs. 3712. On the basis of these figures it is obvious that in his case the remissible part of taxation will make a substantial difference.

4. The effect of vehicle utilisation.—The relative effect of vehicle utilisation i.e., effective miles per vehicle per day on the cost and economics of operation, is shown in the following table:—

Economics of Goods Operations with 50% Load factor and 80% fleet utilisation and at different levels vehicles utilisation (effective miles per vehicle per day)

Vehicle Utilisation	50	60	70
No. of vehicle required at 80% fleet utilisation.	1,002	835	716
Running Charges*	91,58,169 (123.83)	89,56,272 (125.85)	88,05,065 123.73
Standing Charges †	56,35,914 (79.20)	47,75,137 (67.12)	41,63,482 (58.50)
Total charges	1,48,04,383 (208.03)	1,37,32,409 (192.97)	1,29,68,547 (182.23)
Revenues at 50% L. F. with a truck of 4.38 tons capacity @ 8 as. per ton mile for effective mileage of 1,36,63,637		1,47,90,987 (207.84)	
Margin	—13,396 (—9.19)	+10,58,578 (+14.87)	+18,22,440 (+25.61)

Figures in brackets represent cost in pies per vehicle mile.

Notes.—*This includes, Cost on fuel including lubricants; Tyres; Batteries; Depreciation on vehicles; Payment to drivers and helpers on daily wages; Line allowance for drivers and helpers; spare parts, tools and consumables.

†This includes : M. V. Tax, Insurance, Municipal tax; Operating staff; Other direct staff; payment to drivers and attendants on time scale; Interest on capital; Medical charges; Stationery and Printing; Electricity and Water; General Stores; Advertisement; Postage and Telephone; Legal charges; Telegrams; T.A for meeting Rent; Building and land taxes; Industrial Insurance, Depreciation on other assets.

For purposes of this study, the load factor has been kept at 50 per cent. and fleet utilisation at 80 per cent. Running and standing charges have been calculated for different levels of vehicle utilisation of 50, 60 and 70 miles per truck per day. The Running and Standing Charges have been reduced to cost in pies per vehicle mile, and it will be seen that with the vehicle utilisation improving from 50 miles per vehicle per day to 60 miles per vehicle per day, there is a drop of 15.06 pies per vehicle mile in the cost of running and standing charges and with the utilisation improving further to 70 miles per vehicle per day, the reduction in Running and Standing Charges amounts to 25.8 pies per vehicle mile per day. The saving

in operational cost at 15.06 pies per vehicle mile with improvement in daily mileage from 50 to 60 miles per day would amount to 1386 per year per vehicle, and for improvement in daily mileage from 50 to 70 miles per day would amount to Rs. 2773 per vehicle per annum.

5. Effect of good and bad roads on the cost of operation.—Fortunately, for the purpose of having a broad idea as to the effect of first class roads and bad roads on the cost of road transport, the Bombay State Road Transport Corporation carried out a controlled experiment, the results of which are embodied in Appendix XV. The Bombay State Road Transport Corporation cement-concreted Nadiad-Dakore Road, a distance of about 21 miles, at its own cost. On completion of this road controlled experiment was started with three vehicles on this type of road and six other vehicles on different types of roads. The vehicles were generally of the same condition and fit. It would be seen from the figures given that the saving on account of modernised first class roads is to the extent of about 32 pies per bus mile out of a total of 225 pies. Assuming mileage per vehicle of 20,000 per annum, the saving in operation per annum on this account would be of the order of Rs. 3333 per annum per vehicle against an average cost of Rs. 23,750.

It will be appreciated that the quality of roads has an appreciable bearing on: (i) consumption of spare parts; (ii) wear and tear of the tyres; (iii) fuel; and (iv) speed.

6. Effect of diesel or petrol operated vehicles on the cost of operations.—The diesel engines are more economical than petrol engines for heavy transport vehicles is now more or less generally accepted. Appendix XVI shows the comparative cost of operation of petrol buses *versus* diesel buses, with and without the element of taxation. These figures have been supplied by the Bombay State Road Transport Corporation and should be taken only to indicate the order of savings in diesel operations, without drawing any further exact conclusions from them. It will be observed that savings in diesel operations amount to as much as 53.8 pies per bus mile and if the element of tax i.e., custom, excise and sales taxes are excluded, the savings in diesel operations amount to 23.37 pies per bus mile. Assuming a mileage of 20,000 per vehicle per annum, the saving in diesel operations would be of the order of Rs. 5,604 per vehicle per annum, and ignoring the element of duties, customs and excise, the saving would be of the order of Rs. 2,400 per annum per vehicle. The latter figures give a rough estimate of the intrinsic advantage of diesel operated vehicles over petrol driven vehicles.

7. The difference in cost of operation with different makes of vehicles and their availability on which depends vehicle utilisation.—It is a known fact that the fuel consumption and the cost of batteries and spare parts vary with the different makes of vehicles. As a result of the analysis made by the Bombay State Road Transport Corporation, these costs in the case of petrol vehicles varied from 83 to 120 pies per bus mile and for the diesel vehicles from 38 to 48 pies per bus mile. The difference in the cost would amount to Rs. 1,000 per annum per vehicle for diesel operated vehicles and

to Rs. 3,855 for petrol operated vehicles. No details are being given because these vehicles were operating on different types of roads and for purposes of our analysis, this difference has been ignored. These figures are quoted merely to indicate that the cost of operation is also appreciably affected by using different makes of vehicles.

It is also common knowledge that vehicle utilisation i.e. the number of vehicles actually in use out of the total number in a fleet, is considerably affected by the different makes of vehicles in use. Some are more sturdy and dependable than others and are, therefore, longer in actual use than those which are structurally weak in regard to the operating conditions under which they work, and are, therefore, liable to be put off the road frequently for repairs.

8. Effect of load factor on the cost per ton mile.—The average cost of operation for a 6 ton diesel lorry and a $3\frac{1}{2}$ ton petrol lorry are given in Appendix XVII. The cost in pies per ton mile has been calculated with a load factor of 40 per cent., 50 per cent. and 65 per cent. This is based on the assumption that:—

- (a) load factor one way is 80 per cent. and nil on return journey;
- (b) 80 per cent. on the outside trip and 20 per cent. return trip; and
- (c) 80 per cent. on the outward trip and 50 per cent. return trip.

The basic figures have been extracted from actual statistics maintained by an operator operating a large fleet of vehicles including lorries and buses. It is deducted from these data, that in the case of a 6-ton diesel lorry, with the load factor increased from 40 per cent. to 50 per cent., the cost of operation fell from 106.5 pies per ton mile to 85.1 pies per ton mile and with a further increase in the load factor to 65 per cent., the cost of operation fell to 65.6 pies per ton mile. Thus with an increase of load factor from 40 per cent. to 65 per cent. there was a decrease in the cost of operation of 40.9 pies per ton mile. Similarly, in the case of a $3\frac{1}{2}$ ton petrol lorry, with an increase of load factor from 40 per cent. to 50 per cent. the cost of operation fell from 191 pies per ton mile to 153 pies per ton mile, and with a further increase in the load factor from 50 per cent. to 65 per cent. the cost of operation per ton mile fell to 118.8 pies per ton mile. Thus with an increase in the load factor from 40 per cent. to 65 per cent. the decrease in the cost amounted to 72.2 pies per ton mile. It requires, however, to be made clear that the overall actual cost incurred on operations per vehicle per year or per vehicle mile is not affected by the reduction in Ton Mile Costs referred to above. The reduction is only a measure of the operator's competitive position in quoting lower rate to attract patronage. Actually there is no reduction in costs incurred. There is, of course, an actual increase in earnings with the increase in load factor which will be discussed later.

The factors affecting economy of operation on the earning side are:—

- (a) the load factor;
- (b) the average mileage operated;
- (c) the capacity of vehicle; and
- (d) rate charged per ton mile or rate charged per passenger mile.

All these factors have an important influence on earnings, and any percentage increase or decrease in these factors, will result in a proportionate increase or decrease in earnings. The relationship between these factors and earnings is direct and it will, therefore, be appreciated that where increases in these factors are concurrent, they will have an accumulating influence in increasing the earnings of the vehicles in use. For instance, a 10 per cent. increase in the load factor will result in a 10 per cent. increase in the earnings and similarly a 10 per cent. increase in either the average mileage operated or the capacity of the vehicle or in the rates, would also result in 10 per cent. increase in the earnings. It is obvious that if a 10 per cent. increase took place on each of these factors, then there will be a 40 per cent. increase in the earnings. The load factor and the average miles operated depend upon planning road transport operations on economic lines and may be adversely affected by zonal restrictions which cut across the normal route of traffic movements. The capacity of the vehicle to be used has also to be considered in its economic context before the start of road transport operations. Rates per ton mile, or rates per passenger mile, will depend on conditions prevailing on the routes contemplated to be worked, but should be determined with due regard to the question of the cost of operation on the particular routes.

Although the relationship between these factors and earnings is direct and proportional, and is easily understood, yet to give an idea of the large amounts involved in increases in the earnings with the increase in each factor, evaluation is made of the effects of these factors on earnings when other conditions remain constant.

(a) *Effect of load factor on earning side.*—A 6 ton lorry doing an annual mileage of 20,000 and charging 0-8-0 per ton mile would earn the following amounts with improvements in load factor:

6 ton lorry		Earnings per year	Increase over 40% load
1		2	3
		Rs.	Rs.
40% load factor on outward and return journey		24,000	..
50% -do-		30,000	6,000
60% -do-		36,000	12,000
65% -do-		39,000	15,000

Similarly, a 4 ton lorry doing an annual mileage of 20,000 and charging 0-8-0 per ton mile would earn the following amounts with increase in load factor:—

4 ton lorry										Earnings per year	Increase over 40% load
										Rs.	Rs.
40% load factor	.	.	.	.	.	.	.	.	.	16,000	..
50% -do-	.	.	.	.	.	.	.	.	.	20,000	4,000
60% -do-	.	.	.	.	.	.	.	.	.	24,000	8,000
65% -do-	.	.	.	.	.	.	.	.	.	26,000	10,000
<i>3½ Ton Lorry</i>											
40% load factor	.	.	.	.	.	.	.	.	.	14,000	..
50% -do-	.	.	.	.	.	.	.	.	.	17,500	3,500
60% -do-	.	.	.	.	.	.	.	.	.	21,000	7,000
65% -do-	.	.	.	.	.	.	.	.	.	22,750	8,750

(b) *Effect of average mileage operated on earnings:*

Load factor—50% Vehicle utilisation—80% Daily mileage rate—Re /8/-
per ton

50, 60 & 70 miles.	50 miles a day or 14,600 miles a year			60 miles a day or 17,520 miles a year			70 miles a day or 20,440 miles a year		
	Rs.			Rs.			Rs.		
(i) Earnings of 6 ton diesel lorry per annum	.	.	.	21,900	26,280	30,660	.	.	.
Increase on 50 miles a day	.	.	.		4,380	8,760	.	.	.
(ii) Earnings of 4 ton lorry per annum	.	.	.	14,600	17,520	20,440	.	.	.
Increase on 50 miles a day	.	.	.		2,920	5,840	.	.	.
(iii) Earnings of 3½ ton lorry per annum	.	.	.	12,775	15,330	17,885	.	.	.
Increase on 50 miles a day	.	.	.		2,555	5,110	.	.	.

(c) *Effect of capacity of vehicle on earnings:*

Mileage 20,000 Load factor 50%
Rate charged Re. -/8/- per ton mile.

						3½ Ton Lorry	4 Ton Lorry	6 Ton Lorry
						Rs.	Rs.	Rs.
Earnings per year	.	.	.	.	.	17,500	20,000	30,000
Increase on 3½ ton capacity	.	.	.	.	.	..	2,500	12,500

(d) *Effect of rate on earnings:*

Mileage 20,000. Load factor 50%

Rate charged	6 Ton Lorry	4 Ton Lorry	3½ Ton Lorry
o 8 o per ton mile	30,000	20,000	17,500
o 10 o -do-	37,500	25,000	21,875
o 12 o -do -	45,000	30,000	26,250
Increase in earnings for As. -/12/- over -/8-/ rate.	15,000	10,000	8,750

These figures as already explained, are given merely to indicate the order of increases or decreases in earnings due to the variation in the rate, the capacity, the mileage or the load factor, other factors remaining constant.

9. *Conclusions to be drawn from the analysis of economics of Road Transport Operations and the Effect of Taxation.*—It has to be appreciated that in considering the effect of taxation on motor transport operations, it is only the relative effect of the remissible part of taxation which is of significance in the context of this investigation. From the analysis made in the foregoing paragraphs of the factors influencing the cost of road transport operations, the following figures are extracted to give the relative importance of these factors:—

Cost of operation		Saving in rupees on the average running cost of Rs. 23,750 based on 20,000 mile per annum.
<i>Taxation</i>	(1) Remissible part of taxation @ 25% of total taxation per vehicle per annum	1,185
<i>Vehicle Mileage.</i>	(2) Saving in operational cost per vehicle per annum with increase in daily mileage from 50 to 60 miles.	1,386
	(3) Saving in operational cost per vehicle per annum with increase in daily mileage from 50 to 70 miles	2,773
<i>Effect of good roads</i>	(4) Saving in cost of operation for operating on Ist class roads per vehicle per annum	3,333
<i>Effect of Diesel Operations.</i>	(5) Saving in cost of operation—diesel operated against petrol operated—per vehicle per annum	5,604
	(6) Saving in cost of operation—diesel operated against petrol operated—per vehicle per annum excluding all taxes.	2,400
<i>Effect of Types of vehicles.</i>	(7) Difference in cost of operation with different makes of vehicles per annum (Diesel operated)	1,000
	(8) Difference in cost of operation with different makes of vehicles per annum (Petrol operated)	3,855

NOTE:—These figures have to be used with caution and are not of general application except with the full understanding of the background.

On the Earning Side

Effect of load factor	6 Ton	4 Ton	3½ Ton
	Rs.	Rs.	Rs.
Increase in earnings per vehicle per year with load factor increased from 40% to 50 %	6,000	4,000	3,500
Increase in earnings per vehicle per year with load factor increased from 40% to 60%	12,000	8,000	7,000
Increase in earnings per vehicle per year with load factor increased from 40% to 65%	15,000	10,000	8,750
<i>Effect of mileage operated on earnings</i>			
Increase in earnings per vehicle per year with increase in daily mileage from 50 to 60 miles per day	4,380	92,20	2,535
Increase in earnings per vehicle per year with increase in daily mileage from 50 to 70 miles per day	8,760	5,840	5,110
<i>Effect of capacity of vehicle on earnings</i>			
Increase in earnings with lorries over 3½ ton capacity per vehicle per year	12,500	2,500	

It will be observed from these figures both on the side of the cost of operation and on the earning side that the remissible part of taxation (Rs. 1,185) is relatively of minor importance as a controlling factor in the economy of transport operations provided the rate of taxation is at the average level and not so high as in Madras. The load factor and vehicles utilisation i.e., average daily mileage, are very important factors on the earning side, while vehicle utilisation whether diesel or petrol operated, quality of roads, heavier capacity lorries and suitable makes of vehicles are important factors in influencing the economy on the cost side of operation. The road transport development policies should therefore be directed towards the control of road transport and the automobile industry in a manner which would help in increasing the load factor and vehicle utilisation, in the improvements of roads, in the encouragement of diesel operated vehicles and in the development of the type of vehicles most suited to conditions of operation in India.

CHAPTER X.—Taxation of Motor Vehicles

It is generally believed that a serious impediment in the development of road transport is the heavy burden of Central and States taxes on motor vehicles, and the absence of a uniform taxation policy. The Central taxes consist of customs and excise duties on motor vehicles, types and tubes and accessories and on motor spirit. The State taxes consist of a large variety of taxes such as the vehicle tax, the tax on passengers and goods, the permit fees, the cesses on routes of the nature of taxes, the sales tax on motor spirit, motor vehicles, their parts and accessories, and local taxes such as the wheel tax, tolls, entrance tax, etc. The general level of all the taxes amounts to about 20 per cent. of the cost of operation and rises upto about 35 per cent. in one or two States. In discussing the economies of road operations, it was brought out that the incidence of what may be regarded as the remissible part of taxation, could not be a controlling factor in the development of road transport services. This implies that if it were possible to remit 25 per cent. of the total incidence of taxation, this alone would not lead to a rapid and substantial development of road transport, as economic and efficient operation depends much more upon after factors.

2. Another check was made which may be considered as approximately rather than conclusive indicative of the effect of taxation on motor transport. If the taxation were to be a controlling factor in the development of road transport, then in States, where the incidence of taxation is low, there would be greater development of road transport than in States where the taxation is high. This is not strictly borne out by figures contained in Appendix XVIII which gives the name of every State, its population, and the number of trucks in operation and the rate of motor vehicle tax per truck. The number of persons per truck has been worked out, and is shown in the appendix. It will be seen from these figures that although the tax in the U.P. per truck is Rs. 1,203 and in Bihar Rs. 375, yet the number of persons per truck is almost the same. Again in each of the States of Madras, Mysore, Travancore-Cochin, the rate of tax is somewhat higher than in the U.P. and considerably higher than in Bihar, yet the number of persons per truck in these States, is notably lower as compared with the U.P. or Bihar. Generally speaking, these figures indicate that high taxation has not proved a decisive factor in retarding the expansion of motor transport, and in the States where motor transport has expanded, the expansion cannot be attributed to low rate of taxes.

3. This, however, does not provide any justification for the continuance of such high incidence of taxation. It is stated that the taxes on motor vehicles in India are the highest in the world. In regard to State taxes, the basis as well as the scales of taxation vary from State to State. Very often transport operators are obliged to pay double and multiple taxes. The rates of motor vehicle tax in different States are given in Appendices XIX and XX. It would be seen that a tax on a truck of 14,500 lbs. laden weight varies from a minimum of Rs. 200 in Punjab and PEPSU to a maximum of Rs. 1,600 in Madhya Bharat and that on a 30 seater

bus Rs. 219 in the case of Punjab as well as PEPSU to Rs. 3,600 in the case of Madras. These are wide variations and can hardly be justified. We do not propose to deal with this matter at any great length as the Motor Vehicles Taxation Enquiry Committee has already exhaustively analysed the position with regard to taxation.

The Motor Vehicles Taxation Enquiry Committee recommended ceilings in respect of motor vehicles taxation for various types of vehicles. Ceilings for trucks of 14,500 lbs. laden weight and buses of 30 seats are worked out on the basis recommended by the Motor Vehicle Taxation Enquiry Committee and these amount to Rs. 810 for a truck and Rs. 2,280 for a bus. In Appendices XIX and XX the actual rates in various States in respect of these two types of vehicles are shown and the difference between these rates and the ceilings recommended is also shown. On the assumption that all the trucks are of 14,500 lbs. laden weight and the buses of 30 seats each, the resulting difference in revenue is worked out. It would be seen that in the case of buses, only in four States, the actual tax exceeds the ceilings recommended by the Committee and these are Madras, Travancore-Cochin, Mysore and Orissa. In the case of Orissa the difference is only nominal. In the remaining 12 States, for which figures are available, the actual tax is much lower than the ceilings recommended by the Committee. Similarly, in the case of trucks, only in seven States the annual tax exceeds the ceilings recommended by the Committee, and these are Madhya Bharat, Rajasthan, Madras, Mysore, Travancore-Cochin, U.P. and Orissa and in the remaining 10 States, the actual tax is lower than ceilings laid down by the Committee. If the States, where the present rate of tax exceeds the ceilings, were to reduce their rate to the ceiling figure, the burden of taxation would be reduced to the extent of Rs. 96 lakhs and Rs. 133 lakhs in the case of buses and trucks respectively. But there will be nothing to prevent the remaining States from pushing up their taxes gradually to the ceiling rates which may be fixed and if they were to do so, the burden of tax will increase on the whole, by about Rs. 277 lakhs per annum in the case of buses and to the extent of Rs. 37 lakhs in the case of public carriers.

4. The local taxes such as octrois, tolls, entrance tax etc. apart from placing heavy financial burden on operators, cause great hindrance and harassment to through transit traffic. For instance, for every lorry load carried from Delhi to Kanpur a minimum amount of Rs. 50 has to be paid to various local authorities, the fees varying from Annas 4 to Rs. 20. At some stations like Aligarh and Etah where a system of refundable tax is in force, local agencies have sprung up for paying the tax on behalf of the operator and claiming refunds. This has naturally increased the cost to the operator as he has to pay commission to the new middleman. Similarly, for a journey from Delhi to Dehra Dun, a lorry owner has to pay Rs. 20-12-0 as local taxes en route. It also appears that the Municipality of Dehra Dun are levying discriminatory rates on goods sent by road as compared with goods sent by rail. For example, for gas cylinders booked by road the terminal charge is Rs. 6 per cylinder as against Re. 1 for a cylinder sent by rail. These illustrations show that even though the rate of motor vehicle taxation in States like the Punjab or the U.P. is much lower than in Madras, in actual practice the numerous charges collected en route by

municipal authorities represent a considerable addition to the tax paid by the operator. It is, therefore, not only the monetary burden of these taxes which affects the road operators, but the method and manner in which these taxes are levied, cause great worry and harassment to the operators. Apart, therefore, from whether or not a part remission of the present taxation would develop road transport, it is essential for other reasons to simplify taxation and tax collection on some uniform basis.

5. The latest authoritative discussions on these matters were in the Policy Committee of the Transport Advisory Council which met in Bombay in May 1953. The Committee consisted of representatives of the Central Government and as many as 18 States. It was agreed that there would be only two points of tax collection, namely, the Centre and the States, the Centre retaining the customs and excise duty on petrol and the States levying only two taxes viz. a fuel tax and a motor vehicle tax. It was also agreed that there should be only one system of taxation as far as octroi was concerned and that the octroi charges on through traffic should be abolished. It was generally accepted that suitable measures had to be devised to ensure that octroi on goods consumed within municipal limits did not cause any hindrance to or harassment of through traffic. The Committee did not suggest any definite action in this regard and recommended further examination of the matter by the Government. All the States also agreed to ceilings by legislative action of tax levels as proposed by the Technical Committee subject to revision after five years. All these measures were designed to achieve rationalisation of the tax structure, which is necessary for healthy development of road transport services. In regard to the existing burden of taxation these proposals would bring very little relief. No action has, however, been taken so far to implement these recommendations. The recommendations of the Policy Committee were considered by the Transport Advisory Council at the meeting held in November 1954 when it was decided to await the report of the Taxation Enquiry Commission. Now that this report has been submitted to Government, we hope that decisions will be taken quickly with regard to motor vehicles taxation. We are glad that the Transport Advisory Council have recommended that State Governments should take steps immediately to abolish double taxation of transport vehicles used in inter-State trade and commerce. We understand that the Council has appointed a Committee to consider the manner in which effect could be given to the proposal to abolish octroi duties on goods in transit. We hope that the examination of the question will be completed quickly.

6. While we have tried to present in our report the part played by taxation in its proper perspective we would like to emphasise that any remission of taxation will have a great psychological value. In view of the fact that taxation is abnormally high in India, we recommend that a reduction of 20 per cent. in the total average taxation should be aimed at. This might not help on inefficient operator to turn his undertaking from insolvency to solvency, but it would definitely help the marginal operator and more so an efficient operator. How this is to be achieved, is a complicated matter because both the Central and the State Governments and also Local authorities are involved; but once the principle is accepted, it should be possible to devise ways and means of achieving this result.

CHAPTER XI.—Regulation of Motor Transport

The motor transport industry is subject to a certain degree of control under Chapter IV of the Motor Vehicles Act, 1939. Representative bodies like the Indian Roads and Transport Development Association have been urging that Chapter IV of the Motor Vehicles Act of 1939 should be scrapped altogether as in the present context of a large volume of unsatisfied demand for transport, there is no possibility of rail road competition and hence there should be no need for any kind of regulation of motor transport. This view is based on the wrong premise that the relevant provisions of the Motor Vehicles Act are designed only to safeguard the Railways against competition from road transport.

2. *Regulation in the U.S.A.*—The primary object of the Motor Vehicles Act is to regulate uneconomic competition among motor vehicle operators themselves. The necessity for such regulation has been realised all over the world and even in the U.S.A. there is a considerable control both on motor transport operation within a State and on inter-State movement. The following paragraph from an American treatise on transportation puts the case for regulation succinctly:—

“FLY-BY-NIGHT OPERATIONS. A near chaotic element was brought into the trucking industry in the early years of the 1929 depression by unemployed truck drivers who purchased trucks on credit and went into the inter-city trucking business. Usually these operators know little and cared less about the intricacies of depreciation, depreciation reserves, and other sound business practices; striving only for sufficient revenues to pay for gas and oil, make the payments on their trucks, and have enough left over to live on. A major repair bill or a major loss or damage claim might force them out of business, but others came along to take their places. This sort of operation was hard on the rail-roads and on established trucking concerns, and the irresponsible and uncertain services of these fly-by-night operators gave the inter-city motor transport industry a black eye among shippers. Fortunately the extension of State and federal regulation brought this sort of activity to an end and made possible the development of the industry on a solid and responsible basis.”

Again another American writer on the economics of transportation states the case for regulation as under:—

“Regulation is needed first to assure safe, dependable and adequate service. Unrestrained competition drives earnings below cost and impairs credit, thereby preventing the carriers from maintaining equipment and service of the required standard.....Regulation is desired secondly to stabilise rates where unregulated rates are not published and may change overnight.....Private interest may at times run counter to the public welfare. Competition may lead to an unwise expansion, duplication or elaboration of service causing waste of capital and high rates. The

carriers may be unwilling to maintain or extend relatively unprofitable but necessary services."

3. In the U.S.A., the States have full control over intra-State services while the Inter-State Commerce Commission exercises control over the operation of the inter-State carriers by administering the Motor Carriers Act of 1935. Sections 206 to 208 of the Inter-State Commerce Act make it unlawful for a common carrier motor vehicle to operate in inter-State commerce without a certificate of public convenience and necessity issued by the Commission excepting carriers operating solely within a State and holding a certificate granted by a Board of the State. The certificates have to specify the service to be rendered, the routes, points and territory to be served etc. The Commission may attach such terms and conditions to the certificates as the public necessity may require provided the right of the carrier to add to its equipment and facilities within the specified field of service shall not be restricted. The Commission can require continuous and adequate service as a condition for retaining certificates. Section 209 makes it unlawful for contract carriers to operate without permits.

Lack of financial resources, inadequacy of equipment and inexperience have been recognised by the Commission as grounds for refusing common carrier certificate. Requirements of fitness, willingness and ability to serve apply to both common and contract carriers. The considerations in granting extensions in certificates are:—

- (i) Whether the proposed extension is likely to prove self-sustained?
- (ii) Whether it will divert traffic from existing lines without off-setting advantages in the form of economies or increased competition?

The test is ability to operate rather than absolute necessity, but mere duplication of services is not encouraged. With this end in view, the Commission has placed restrictions on the commodities handled, routes traversed, points or territories served, types or equipment utilised, seasons worked, classes of services rendered, etc. The Commission has thus endeavoured to promote "controlled rivalry" and the view is held that "competition within reason rather than monopoly is in the public interest". The Commission has also stated that it is incumbent on motor carriers to show that a proposed new service will improve the established rail road or motor service. It is of interest to note that in the Pacific Inter-mountain Express case of 1951 which related to a proposal to create a Trans-Continental Express Service by trucks, the Inter-State Commerce Commission refused permission on the ground that the rail roads and other trucking concerns would be adversely affected. The Commission held that the rail roads would lose traffic which they could handle to better advantage than trucks.

4. *Motor Vehicles Act, 1939.*—We cannot, therefore, countenance any suggestion about the discontinuance of Statutory regulation of motor transport. Chapter IV of the Motor Vehicles Act of 1939 is basically a sound and well conceived piece of legislation intended to foster the well being and interest of the operators themselves and the country at large. This Chapter lays down that no owner of a transport vehicle shall use or permit the use of the vehicle in any

public place except in accordance with the conditions of the permit granted or countersigned by a prescribed Authority. It empowers the State Governments to control road transport having regard to the advantages offered to the public, trade and industry by the development of motor transport, the desirability of co-ordinating road and rail transport, the desirability of preventing the deterioration of the road system and the desirability of preventing the uneconomic competition among motor vehicle operators. In the exercise of this power, the State Government may prohibit or restrict throughout the State or in specified areas or routes subject to prescribed conditions the conveying of long distance goods traffic generally or to prescribe classes of goods by private or public carriers. The Government is also empowered to fix maximum or minimum fares or freights for stage carriages and public carriers. The Act provides for the setting up of Transport Authorities for the whole State as well as regions within the State for considering applications and issuing permits for different classes of carriers. The Act further lays down that in deciding about the grant or otherwise of a permit for stage carriages or public carriers, the Authorities shall have regard to the interest of the public, the advantages to the public of the service to be provided, the adequacy of the existing road service, the condition of the roads and other relevant factors. Under the Act, a permit other than temporary permit shall be effective for a period not less than three years and not more than 5 years as the prescribed Authority may specify in the permit. The issue of temporary permits effective for a limited period not exceeding 4 months is authorised for the conveyance of passengers on special occasions such as to and from fairs and religious gatherings or for the purposes of seasonal business or to meet a particular temporary need. The Act, of course, provides for the hearing of representations, appeals, etc., against the decision of the Authorities concerned. In the evidence presented to us, however, it has been represented that in the actual enforcement of the Act, there is considerable harassment of the interests concerned and that the provisions of the Act are being enforced in a manner which is not in conformity either with the terms or the spirit of the Act.

5. *The Code of Principles and Practice.*—Within a few years of the enactment of the Motor Vehicles Act, 1939, the need was felt for the adoption of certain well recognised principles with regard to road transport so as to ensure proper road-rail co-ordination with a view to developing all forms of transport in their appropriate fields and avoid wasteful duplication. The Transport Advisory Council, therefore, took up the work of preparing a Code of Principles and Practice for the regulation of motor transport. After a number of discussions and consultations with the State Governments, the Code was finalised (a copy as so finalised may be seen at Appendix XXI).

The most important provision of the Code in clause 7 laying down certain distance limits for the operation of goods transport. The main features of this clause are as under:—

(1) A public carrier permit should *normally* be valid *with due regard to geographical conditions, flow of traffic and marketing centres* for compact area—a circle with a radius of 75 miles.

(2) Permits, if any, issued outside this compact area should be for a specified route or routes only.

(3) It is open to the State Transport Authority to specify the goods to be carried.

(4) A regional transport authority should not *except in accordance with the general or specific instructions of the State Transport Authority* countersign or renew any carrier's permit valid for a distance exceeding 75 miles between places connected by rail.

(5) The R.T.A. should refer to the State Transport Authority any application for a permit or renewal of a permit for a distance exceeding 150 miles between places connected by rail.

(6) Save in accordance with any regular agreement between the railways and the State Government the S.T.A. shall not *normally* grant or countersign or renew a carrier's permit between places connected by rail,

(a) for distances exceeding 150 miles unless the Authority is satisfied that the goods to be carried cannot be transported by rail without undue expense or inconvenience at least in the outward distance and

(b) for distance exceeding 300 miles unless the circumstances are very exceptional or the goods are highly perishable or fragile.

It is clear, therefore, that under the Code.

(a) there is no restriction at all on any carrier in areas not served by or connected by rail;

(b) for places connected by rail and within a limit of 75 miles radius the RTA is free to issue permits or to countersign permits;

(c) for places connected by rail and between 75 and 150 miles, the State Transport Authority is free to authorise the issue of permits or to countersign permits for specified routes for any number of routes falling within the compact area with radius of 75 miles and for specified routes if the destination is outside the compact area;

(d) permits for distance about 150 miles on routes served by rail should normally be subject to the existence of agreements with the railways. The STA has, however, got discretion to grant permits in exceptional cases for distances even beyond 300 miles, particularly in the case of perishables.

6. The Code is thus a very elastic document and its provisions do not justify the criticism levelled against it by State Governments and road transport interests. Some at least of the State Governments have not appreciated the fact that Shri Neogy's letter of September 1953 visualised the expansion of road transport as a short term measure and as a supplement to the railways. In their comments, they have tended to ignore the necessity to avoid wasteful duplication of transport capacity particularly over sections served by rail.

7. We should like to point out that in U.K. road transport for goods is restricted to a distance of 40 miles and in New Zealand, the range of road transport is limited to 30 miles. The following extracts from the foreward written by the Minister for Transport, New Zealand, to the Annual Report of the Transport Department,

New Zealand, for the year ended 31st March, 1954, will be read with interest:—

“This brings me to a topic that has been the subject of much discussion this year—the ‘thirty mile’ restriction on the range of road transport. There has been strong pressure for the removal of this restriction.”

“The railways have played a vital part in the development of this country. They operate on a rate structure based on what the traffic can pay and represent a public utility rather than a business undertaking. It is logical that they should be assured of a reasonable share of the remunerative medium and long distance traffic and there can be no general extension of the ‘thirty mile’ restriction without seriously jeopardizing their position. The question of relaxing this restriction in the case of a few special commodities is at present under consideration.”

8. We therefore feel that a limit of 150 miles for road transport is generally desirable and necessary and that this will give adequate scope for the operation of goods transport services. This limit is also based on the recognition that road transport is essentially suited for short hauls and that for most commodities it ceases to be economical beyond 105 miles. However, in the next Chapter we shall suggest a few relaxations in the Code so as to facilitate the quick growth of the industry. In doing so, we have taken into account the following view-points of the Ministry of Railways:—

“Although some of the suggestions made to relax the Zonal restrictions in regard to permits in terms of the Code are in line with the general desire of most State Governments, the Ministry of Railways feel that in view of the fact that road motors skim the traffic, leaving the Railways only lower grade traffic to carry, the Study Group should make sure that any relaxations made are in the interests of over-all transport co-ordination and not merely aimed at assisting the road services to function under more favourable conditions at the expense of the Railways and thus against the national interest. The possibility of non or under utilization of rail capacity already available has also to be constantly kept in mind before permitting relaxations in the Code. Where relaxations make it possible for rail capacity being diverted or utilised elsewhere, there could be no objection to allow relaxations. Where, however, they result in available rail capacity being unutilized and not transferred elsewhere, they cannot be said to contribute towards co-ordination of transport. Such relaxations should not be allowed as a matter of policy even if they make the road ventures a viable proposition. In such cases road services should look elsewhere for traffic. Subject to the above observations, the Ministry of Railways have no objection whatsoever in agreeing to relaxations in the Code in specific cases where either the areas are not adequately served by railways or the same are having adverse repercussions on the economy of the country as a whole by being impediments to the growth of trade and industry.”

9. *Some complaints about the Administration of the Motor Vehicles Act and the Code.*—We may further point out that the Code has not been ratified and implemented by several State Governments including Bombay, Madras, Andhra, Madhya Bharat, Rajasthan, Saurashtra, Bhopal and Vindhya Pradesh. Only the State of Madhya Pradesh has given statutory recognition to the distance limits laid down under the Code. In other States like the Punjab who have ratified the Code, the implementation is not rigid. The application of the Motor Vehicles Act and the Code has differed from State to State. In a State like Madras/Andhra and Bihar/West Bengal the operators have been allowed to run goods and passenger vehicles over long distances even upto 350/386 miles. Similarly, in the Punjab, a motor vehicle operator can run his services over the length and breadth of the State as the permits are countersigned quite freely by the Regional Authorities. Further as a result of reciprocal arrangements between the Authorities in Delhi and East Punjab, a certain number of motor vehicles operate freely between these two States also. This has even led to complaints of severe competition from the Railways. In West Bengal, on the other hand, the administrative districts also form regions for the purposes of the Motor Vehicles Act and an operator desiring to operate even within a range of 75 miles has often to approach 3 different Regional Authorities for the countersignature of permits. It was explained to us that instructions had been issued by the State Transport Authority that in such cases the countersignature should be given generally as a matter of course. Even so, the mere fact that the owner of the public carrier has to move from district to district to obtain the countersignature results in a good deal of waste of energy, time and money. We were told that the process of counter-signature may take anything from a few hours to weeks depending on the attitude of the personnel in the establishment of the Regional Authority and the influence of the operator. We were informed that temporary permits were being issued for such short periods as seven days. We were also informed subsequently by the State Transport Controller that orders had been issued extending the validity of counter-signature on permits to three months.

10. Another source of inconvenience to the public and to the motor transport industry arises from the fact that the permit issued in one State is not automatically valid in another State. Certain States have arrived at reciprocal agreements among themselves permitting the movement of a specified number of vehicles over certain routes. The drawing up of such agreements, however, takes a very long time and in a few instances the good offices of the Central Government have had to be used in persuading unwilling Governments to enter into such agreements.

11. The increasingly prevalent practice in several States of issuing temporary permits under Section 62 instead of the permits prescribed under Section 58 of the Act has come in for the strongest possible protest from the interests affected. From the statement showing the number of permanent and temporary permits issued by several Governments attached at Appendix XXII, it will appear that the number of temporary permits is disproportionately large in some States. The issue of such temporary permits except for the purposes indicated in Section 62 of the Act is clearly not in confor-

mity with the spirit of the Act and apparently the chief reason for issuing such temporary licences is that it enables the State Governments to take over the routes for nationalised operation on the expiry of the temporary licences without payment of any compensation for loss of business. Some of the State Governments have taken legal powers to issue such temporary permits. We have no doubt that with such temporary permits, it will not be possible for any operator to maintain an efficient service and to have any stake in his business. We feel that the development of the motor transport industry could have been much more substantial or that at least the replacement of old vehicles would have been more satisfactory but for the uncertainty caused by the issue of temporary licences.

12. Another criticism that has been made in the evidence submitted to us is that the issue of permits is often not being done after an assessment of public convenience and necessity and that permits are issued on considerations extraneous to those laid down in the Motor Vehicles Act. For instance, often and *ad hoc* decision is taken by the Government or the State Transport Authority to issue a certain number of additional permits for different classes of vehicles and applications are invited from members of the public and specified sections of the community such as ex-servicemen, displaced persons, Harijans, political sufferers etc. Normally a certain number of permits is reserved for these particular sections. Then, after a scrutiny of applications the final selections are made. The applicants are interviewed in certain States; in other States police enquiries are made into the bonafides of applicants. Allegations are freely made that permits are often granted to persons with no experience of road transport or who have no intention of operating vehicles but who enter into benami transactions. It is also alleged that the Regional and State Transport Authorities have to a large extent lost their independence and semi-autonomous status and are being subjected to governmental and political interference in their day-to-day work.

We are not in a position to make any comments on the allegations against the State and Regional Transport Authorities except to emphasise the necessity for giving primary consideration to the economic need for transport in a particular area in deciding upon the issue or otherwise of permits. The entire provisions of Chapter IV of the Act will lose their meaning if, as has happened in one State, permits are liberally offered by the authorities when the field is already overcrowded with hundreds of operators and it is left to the latter to protest against the increase in the number of permits.

13. The motor transport industry have complained strongly that Governments in India merely look on road transport as an easy revenue producing industry and employ ill-equipped persons to formulate and to lay down transport policy to administer the Motor Vehicles Act. They have urged that placement of proper personnel at governmental level is an essential pre-requisite for the successful working of the road transport administration. It is argued that if road transport were to be developed fully and properly, it would be futile to entrust regulation and control of road transport business to men like District Collectors or Deputy Commissioners or Police Officers who are already hampered by multifarious duties. The men

controlling road transport should be specialists in the subject and the training of such specialists in road transport control and operation is important. The practice in some of the States of appointing the same officer as the State Transport Controller and head of the nationalised transport undertaking in the State has also come in for severe criticism as if can be argued with some justification that with such a combination of posts, any officer would be prevented from applying his mind impartially to the merits of a case at the time of issuing permits to private operators. The necessity for providing specifically by statute for the exclusion of officers connected with nationalised undertakings from the machinery for enforcing the Motor Vehicles Act has been urged strongly before us.

14. *Recommendations regarding Administration of M.V. Act.*—We understand that the Government of India have advanced considerably in the preparation of a comprehensive Draft Bill amending the Motor Vehicles Act 1939. Apart from the addition of a new Chapter to the Act dealing with the running of transport services by State Governments, the proposed amendments will, we understand, cover some new ground. In the course of the discussions on the draft amendments in the various sessions of the Transport Advisory Council and of the Committees set up by the Council, the State Governments had been particularly keen on reducing the period of validity of permits to one year. We have no doubt that such a reduction will be a retrograde step and will hinder considerably the development of road transport in future. We have no hesitation in recommending that the present limit of three to five years in regard to permits should be retained without modification. We also recommend that the amended Act should provide specifically for the exclusion from membership of State and Regional Transport Authorities of officers of the Government connected directly with the operation of State Transport Undertakings.

15. In order to avoid giving rise to any suspicion in the minds of the applicants about favouritism or decisions on their application on grounds extraneous to the considerations laid down in the Act, we would suggest that all applications for permits should be considered in an open sitting of the Regional or State Transport Authority as the case may be. At such a sitting the applicants should be given an opportunity to make out their own case by giving proof of their suitability for undertaking the service. Any person who desires to object to the grant of a permit should also be heard in public and the final decision of the Authority should, after due examination in a private sitting, be announced in an open sitting.

One practical difficulty to the adoption of the course is that there are invariably a very large number of applicants and hearing all the applicants may require a number of days. In one State, for instance, for 15 permits there were as many as 750 applications and the State Transport Authority did not naturally find it possible to deal with each application separately and arrange the applications in order of priority. The Authority selected 15 applicants for the grant of permits and informed the others that permits had not been sanctioned to them as there were more deserving cases. The unsuccessful applicants thereupon made an appeal to the Appellate Authority. This Authority pointed out that the State Transport

Authority had not prepared any statement of qualifications of the various permit holders or discussed their relative merits to indicate how the Authority had come to the conclusion that some were more deserving than the others. The Appellate Authority considered this as un-satisfactory and proceeded to remark that the solution would lie either in making the qualifications for eligibility so strict as would eliminate a large number of applicants and narrow the field out of which a selection had to be made or in laying down broad criteria before hand and to select persons satisfying these criteria by drawing lots in public.

In another appeal the same Appellate Authority pointed out that if the State Transport Authority had made up its mind that applications from individuals were not to be entertained, they should have announced that prior to inviting applications. Any other conditions which could make the applicants eligible, such as, minimum share capital, technical personnel, etc., should have been prescribed before hand. The Appellate Authority went on to remark that it would be quite unfair to announce no criteria in the beginning and lay down certain criteria during the course of the receipt of the applications. It further remarked that to prefer one party or another without giving any objective standard for that preference would savour of partiality.

16. This is a good illustration of the absence of a proper procedure in considering applications for transport permits. We are aware that this matter has come up more than once before Appellate Authorities and courts in the country. We feel that a careful study of these criticisms made against the working of the State and Regional Transport Authorities should be undertaken so that the Motor Vehicles Act could be re-drafted properly. We would further suggest that a comprehensive enquiry into the working of the State Transport Authorities may be undertaken so that they may be re-organised. We note that this recommendation of ours was placed before the Transport Advisory Council at the meeting held in November, 1954, and that it was decided that State Governments should themselves undertake such reviews. Whether it is done by the Central Government or the State Governments, the object of the review should be to help in reorganising the set up so as to give effect to the following proposals:—

- (i) The grant of permits for motor vehicles should be related primarily to the need for additional transport in the area.
- (ii) In granting permits, the part played by other forms of transport such as railways and waterways in the area should be taken into account.
- (iii) Definite criteria to be satisfied by applicants should be laid down in advance and proper reasons should be given for selecting particular applicants.
- (iv) Regional and State Transport Authorities should be assisted by full time officers possessing experience and knowledge of motor transport, which is a technical and specialised industry.

- (v) There should be a well defined distinction between the police functions under the Motor Vehicles Act and the functions of regulation of the road transport industry as such. The authorities concerned should adopt a positive attitude of help and assistance and not merely a negative policy of control.
- (vi) As long as the private sector is allowed to operate road transport services, for goods or passengers, officers directly incharge of nationalised road transport undertakings should not be members of the Regional or State Transport Authorities.
- (vii) While granting permits for transport vehicles, the Regional and State Transport Authorities should aim at regulating the industry in such a way that the operators will be helped in getting additional load and in utilising their vehicles fully.
- (viii) The Code of Principles and Practice relating to road transport, as amended in the light of our recommendations should, as far as possible, be followed.

17. *Central Government and Regulation of Motor Transport.*—Under the Constitution, Parliament has concurrent jurisdiction with State legislatures in respect of mechanically propelled vehicles including the principles on which taxes on such vehicles are to be levied, but the Central Government has hardly any voice in the regulation of motor transport except as a co-ordinating agency which can offer advice to the State Governments on matters of policy. At present the State Governments also regulate inter-State movements of transport vehicles by using Section 63 of the Motor Vehicles Act. This Section provides that a permit granted in any one State shall not be valid in another State unless counter-signed by the State Transport Authority or the Regional Transport Authority concerned of that other State. Some of the State Governments have entered into mutual agreements permitting the operation of a specified number of transport vehicles on inter-State routes, but there are several inter-State routes relating to which there is no such agreement. Secondly, in a number of States buses have to stop at the border and passengers and goods have to be transferred to vehicles plying within the other State. The negotiations between the States in this regard have been generally of a prolonged character and they have often failed to produce any agreement. There is also a general tendency to look at the matter purely as a prerogative of the respective State Government and not much attention is paid to the need for providing the necessary transportation facilities and the right of the users to ply on the routes.

18. Under the Constitution inter-State trade and commerce falls within the sphere of the Union. Chapter XIII of the Constitution also provides for freedom of inter-State trade and commerce subject to reasonable restrictions. The Central Government is, therefore, competent to undertake any regulatory measures that may be necessary in this connection. We feel that it is necessary in the public interest to evolve a better regulating machinery than what exists today and we would recommend that the Central Government should take over the responsibility for such regulation of inter-State

movement of transport vehicles. An additional reason why the Centre should do so is that most of the inter-State routes follow the National Highways for which the Centre is fully responsible. We, therefore, recommend that the Central Government should enact necessary legislation taking powers in this connection and set up a suitable agency for dealing with the issue of inter-State permits.

19. At our instance this suggestion was placed before the Transport Advisory Council in November, 1954. We understand that a number of representatives were opposed to the proposal and that ultimately it was agreed to wait for a period of one year so as to enable State Governments which had concluded reciprocal arrangements to review such arrangements in the light of the need for greater freedom of inter-State communications and also to enable States which had not been able to reach agreements so far to conclude their negotiations. We feel that basically it would be unrealistic to expect the State Governments to make any noticeable progress in regard to this subject and we would reiterate our recommendation that the responsibility for regulation of inter-State movement of transport vehicles should be taken over by the Centre.



CHAPTER XII.—NATIONALISATION OF ROAD TRANSPORT

Extent of Nationalisation.—It is alleged that the third most important cause for the slow growth of motor transport in India is the policy of nationalisation pursued by practically all the State Governments. Except for the Government of Madras, who have declared their intention not to nationalise transport except in Madras city, and the Government of Andhra where no nationalised services are run, practically in all other States passenger transport services owned and run by the State Governments are operating. These services are operating under five types of management, namely, departmental operation, statutory authority, non-statutory authority, joint stock companies and municipal authorities as under:—

<i>Departmental operation</i>	<i>Statutory Authority</i>	<i>Non-Statutory Authority</i>	<i>Joint stock companies</i>	<i>Municipal Authority</i>
Assam ; Bihar Madras Punjab Uttar Pradesh West Bengal Hyderabad Madhya Bharat Mysore Rajasthan Jammu & Kashmir Saurashtra Travancore-Cochin Himachal Pradesh Manipur Orissa	Delhi Bombay (excluding Bombay city).	Kutch (This is now being taken over by a statutory corporation).	Madhya Pradesh Orissa	Bombay city Poona Ahmedabad.



A statement showing the latest available information relating to the number of buses run by these undertakings, the route miles and other relevant information may be seen at Appendix XXIII. In Himachal Pradesh, the passenger transport services have been completely nationalised, while in Bombay except for two regions in the North practically the whole State is covered by nationalised services. In the U.P., substantial progress has been made but still a large area is left for private operation. In Kutch practically the whole State is covered by nationalised services. In West Bengal, departmental operation is carried on in competition with private services in the city of Calcutta but outside the city private operators are free to run the services. In other States, nationalised operation is gradually on the increase. On the whole, even with regard to passenger transport services, the Five Year Plan provides for very little expansion.

In regard to goods services, complete nationalisation has been achieved only in Himachal Pradesh. In all other States, freight transport services are left more or less completely to private operators though some beginning has been made in States like the U.P., Bombay and Orissa. All the State Governments except Bombay have more or less made it clear that they do not intend to enter into goods transport business in the near future. But though there has been no nationalisation the fear of nationalisation is there—caused by the policy adopted in regard to the issue of permits. There is undoubtedly considerable scope for freight operation and even with regard to passengers it will be a long time before nationalisation will become complete. At the same time it is natural that there should be nervousness and doubts in the private sector as to the wisdom of continuing in a business from which they may be driven out in the not too distant future. The reluctance of State Governments to issue long term permits valid for three to five years has strengthened these doubts. There are over 34,000 passenger transport buses and over 90,000 goods transport vehicles operating in the country. So far more than Rs. 20 crores have been invested by the Central and State Governments in nationalised transport, the number of vehicles employed being less than 6,000. For complete nationalisation even upto the existing level of vehicles, finance would have to be found for more than 1,20,000 vehicles either by purchase of new or in the shape of compensation to the existing operators owning these vehicles. Complete nationalisation of even passenger transport services upto the present level would necessitate a capital outlay of not less than Rs. 100 crores. Further, the process of nationalisation takes time in view of the necessity to establish workshops and set up an adequate organisation.

Need for clear statement of policy.—Having regard to these considerations, the motor transport industry in the country is within its rights in asking for a clear statement of policy by the State Governments on nationalisation. The outlines of such a policy have already been decided upon by the Planning Commission in consultation with the Central Ministry of Transport, and communicated to the State Governments for their consideration and adoption. The policy suggested is as follows:—

Goods Transport

It was agreed that—

- (i) the schemes for nationalisation of road freight services will not be considered for inclusion in the Plan until 1961, i.e., the end of the Second Five Year Plan;
- (ii) permits should be granted freely for periods of not less than three years in accordance with the provisions of Motor Vehicles Act, 1939; and
- (iii) special incentive would be given to viable units by granting them permits for a maximum period of five years under the provisions of the Motor Vehicles Act.

Passenger services

- (i) The State Governments desiring to nationalise road passenger services should be required to prepare phased programme of their scheme upto 1960-61, i.e. the end of the Second Five Year Plan for consideration by the Planning Commission for inclusion in the Plan; provided (ii) and (iii) below are accepted by the State Governments.
- (ii) In the areas that would be left outside the approved nationalised schemes, permits would be granted freely for periods of not less than 3 years in accordance with the provisions of the Motor Vehicles Act, 1939.
- (iii) Within the areas which are included in the approved nationalisation schemes, permits would be granted for the longest period permissible under the expansion schedule, but within the maximum limit set by the Motor Vehicles Act.
- (iv) Where Government participation is contemplated, a tripartite organisation in which State Governments, Railways and Private Operators will participate should be set up under the Road Transport Corporations Act, 1950. In areas to be left entirely to private operators, special encouragement should be given to the formation of viable units.

We earnestly hope that all State Governments will fall in line with these suggestions. Only if such a policy is pursued will the private sector be in a position to invest the substantial sums of money required for the purchase of vehicles and for the provision of repair facilities. Critics of the policy of nationalisation have alleged that nationalised services are inefficient and costly and are in no way an improvement over private operation. As it is not within our terms of reference to go into this aspect, we do not propose to examine the matter in detail. We realise that the nationalised undertakings have had their teething troubles and difficulties arising out of inexperience. We note that an attempt is now being made by the States by means of periodical conferences to inform each other of mutual problems and to evolve common solutions. *Prima facie* there is no reason why a State road transport undertaking should not be successfully managed as some of them are in this country. We would only advise the State Governments to build up gradually, consolidating the position at each stage.

CHAPTER XIII.—FURTHER MEASURES FOR ENCOURAGING ROAD TRANSPORT

We have analysed the more important factors alleged to be hampering the motor transport industry in India and recommended certain remedial measures. We shall now proceed to discuss a few additional measures necessary for improving the position.

2. **Automobile Industry.**—We have already given a brief account of the plans for the construction of roads incorporated in the Five Year Plan. Simultaneously with the construction of more and better roads, it is essential that there should be a substantial increase in the number of motor vehicles available in the country. The Automobile industry is one that is most vital to the country for strategic as well as other reasons. The Government of India have, therefore, taken steps for establishing the industry with the idea of achieving self-sufficiency within a reasonable time. The Automobile Expert who advised the Tariff Commission on this industry had maintained that the manufacture of a vehicle could be economically undertaken only if the volume of demand for that particular vehicle was at least 3,000. The Tariff Commission had assumed on the basis of past consumption in the country that the annual off-take of cars and trucks would be roughly 12,000 each. On that basis and also taking consideration the desire of the State Governments for having different types of vehicles, the following manufacturing programmes have been approved by the Government of India:

Name of manufacturer	Makes	
	Cars	Trucks
M/s. Hindustan Motors Ltd., Calcutta	Hindustan Morris Minor Studebaker	14 Studebaker
M/s. Premier Automobiles Ltd., Bombay	Dodge Desoto Plamouth Fiat 1100	Dodge Desoto Fargo
M/s. Standard Motor Products of India Ltd., Madras	Standard Van- guard Standard 8	..
M/s. Ashok Motors Ltd., Madras	..	Leyland "Comet"
M/s. Mahindra & Mahindra Ltd., Bombay	Willys Jeeps	
M/s. Tata Locomotive and Engineering Co. Ltd., Jamshedpur	..	Mercedes Benz.

The Government of India have also set up a special agency for watching the implementation of these programmes. The implementation would naturally depend upon a reasonable annual off-take of each of the vehicles mentioned above. It is, therefore, necessary that manufacturers get an adequate volume of demand

for each type of vehicle to enable them to reach the goal of self-sufficiency at a reasonable cost. Although, the Tariff Commission had gone on the assumption of an annual demand of 12,000 cars and 12,000 commercial vehicles, the sales figures of 1953 show a very different story. The consumption of cars and trucks in that year amounted to below 6,000 and about 8,000 respectively. But even if this rate of consumption continues there is no likelihood of the industry establishing itself on the basis of self-sufficiency. When, in an earlier chapter, we recommended as a reasonable and realistic target the absorption of about 10,000 to 12,000 trucks per annum during the next few years in addition to those required for the replacement of overaged vehicles and of the requirements for passenger buses, we had in mind the limits imposed by our assembling and manufacturing capacity in the country. There should be a concerted effort by the State and Central Governments to create conditions in the country which would enable the absorption of this number of trucks in the country during the next few years.

3. The recognised manufacturers and assemblers have given as the main reason for the low demand in the country, the high rate of taxation, the licensing policies of State Governments and the fear of nationalisation. We have dealt with all these factors in detail earlier in this report and made suitable recommendations. We, however, feel that the industry is depending a little too much on Government effort to increase the demand. Government have already readjusted the import duty on some of the components with a view specially to enabling a reduction in the price of motor vehicles. We understand that as a result of this the price of one or two makes of trucks has come down to some extent. We do not find, however, any substantial reduction in the price of cars. Even small cars are expensive and are beyond the means of all but a small fraction of the community. Experience in other countries clearly shows that both in the case of cars and trucks, the best market is provided by the private user. Public service vehicles are bound to be limited in number. With proper planning the automobile industry in India could certainly bring down the prices and thus create a greater demand which will benefit them also. A change in the system of marketing and distribution would also help in selling greater numbers of vehicles. For instance, we find that the dealers are allowed as high a margin as 25 per cent. in the marked retail price of cars and the dealers in turn offer a discount on this to the buyers. If the latter are shrewd and influential enough, they obtain a fairly substantial discount. It is very likely that the high retail price *shunts out* many potential buyers. We understand that the Ministry of Commerce and Industry have already taken action to bring down list prices. We also understand that operators of commercial vehicles have great difficulty in finding the finance necessary for buying vehicles and often they enter into agreements with dealers which lay down very harsh terms. We cannot but feel that till now the automobile industry in India has not shown any practical evidence of a desire to capture and foster now clientele by offering their products at a reasonable price range. We have no doubt in our mind that, at least, in regard to ordinary passenger cars the basic factor discouraging demand is the price of the vehicle.

4. The automobile industry has been pressing that the railway freight rate for the transport of cars should be reduced substantially. The Tariff Commission had recommended that a special rate not exceeding one-half of the present rate should be fixed for the transport of new motor vehicles produced by the recognised manufacturers. We understand that the present rate for the carriage of motor vehicles in open trucks by goods train is the 12th class rate subject to a minimum weight for charge as 80 maunds. The rate for carriage of motor vehicles by passenger train in a 4 wheeled or 6 wheeled covered van is as. 12 per mile for the first 100 miles plus annas 8 per mile for distances beyond 100 miles.

5. We understand that it is the view of the railways that these rates cannot be considered to be unduly high having regard to the price of cars or the cost of haulage to the railways. It is pointed out that in the case of a car valued at Rs. 13,250 the incidence of freight for 1,500 miles is 5.9 per cent. only by passenger train and 4.8 per cent. only by goods train as against 13.84 per cent. in the case of a staple commodity like wheat. The railways further point out that the cost of hauling a coaching 4 wheeled vehicle over the broad gauge during 1951-52 was Re. -/9/10 per mile, and the actual rate charged for carrying a motor car is below this cost. Similarly, the rate for hauling a motor car from Bombay to Delhi in an open goods wagon is Rs. 379-3-0. Against this, the statistical cost of hauling the wagon is worked out as Rs. 421.

Assuming that these figures of cost are correct, we agree that the railway freight rate for haulage by goods is not unreasonable. The remedy lies in providing covered goods wagons for the transport of cars. We understand that the Ministry of Railways are already considering the feasibility of earmarking a small pool of covered vans for the purpose of transport of cars from the manufacturing works.

6. In a previous Chapter, we have already indicated the part played by the make of a vehicle in the cost of operation. We would particularly emphasise the need for having a careful watch over the performance in India of the vehicles now included in the manufacturing programme so that in due course the evolution of types of vehicles most suited for conditions in India may be facilitated.

7. Order of priority for expansion of road transport.—Apart from a proposal to reserve for road transport certain belts near important industrial cities which we shall deal within a separate detailed report, we would suggest the following order of priority in the development of road transport in the country:—

- (1) Passenger and goods traffic in areas not served by railways.
- (2) Passenger and goods traffic in rural areas.
- (3) Passenger and goods traffic on feeder roads to rail-heads.
- (4) Passenger transport over distances not exceeding 150 miles in areas served by railways.
- (5) Carriage of goods over distances ordinarily not exceeding 150 miles in areas served by railways.

8. **Relaxation of zonal restrictions—private carriers.**—In all these areas, private carriers should be given far greater freedom of movement than what is permitted now. Section 52 of the Motor Vehicles Act, 1939, lays down the particulars which are required to be furnished in an application for a private carrier's permit. Section 53 prescribes the considerations which a Regional Transport Authority has to take into account in dealing with applications for private carrier's permits. The two sections, read in conjunction with sections 42 and 43 involve a considerable restriction on the plying of private carriers in the country. The main objects of the restrictions are apparently two-fold, viz. (1) prevention of the use of the vehicles for purposes other than those connected with the business of the owner resulting in unauthorised and uneconomic competition with public carriers and the railways; and (2) prevention of deterioration of the road system. The general impression is that these provisions are applied rather rigidly. The area of operation permitted for such vehicles is also often very small and instances are not wanting where private carrier's permits have been issued for such short periods as three or four months at a time. At present, in a few States, where the administrative districts constitute also the regions under the Motor Vehicles Act, 1939, a private carrier is required to get its permit countersigned by two or three authorities even for proceeding on a distance of 100 miles. The result is that the trade and industry in India has not been allowed as much use of their own vehicles as they should. As already pointed out, while in countries like the U.S.A. and U.K., private carriers far exceed the public carriers in number, in India public carriers form the greater part of the goods transport vehicles operating in the country. *Prima facie*, there appears to be no great justification for imposing a restriction on the free and unrestricted use of a lorry by its owner, for carrying his own goods, when there is no similar restriction on the owner of a vehicle used for the carriage of persons for purposes other than hire or reward.

9. In the context of the present shortage of transport capacity in the country, it is necessary to encourage industrial and manufacturing establishments to use their own lorries for transporting their raw materials and finished goods. As a first step in this direction, it will be necessary to allow such lorries to have free movement throughout the State.

10. At the same time, it would be necessary and desirable for the State Governments to retain powers for imposing limitations with regard to the maximum laden weight and the axle weight etc. in order to prevent undue deterioration in the condition of roads. Such a policy of liberalisation may result in some abuse in that owners of private carriers may begin to indulge in clandestine operations as public carriers. The possibility of such abuse has already been taken into account in the existing Section 53, which provides that a Regional Transport Authority shall, in deciding whether to grant or refuse a private carrier's permit, satisfy itself that the vehicle or vehicles for which the permit is required will not be used except in connection with the business of the applicant, and authorises the authority to specify in the permit the nature of goods to be carried. These provisions, supplemented by extra

vigilance on the part of the authorities enforcing the Motor Vehicles Act and provision of greater punishment for violations, which, we understand, is proposed to be done by amending the Act, should suffice for effectively checking the illicit use of private carriers as public carriers.

11. We, therefore, recommend that a private carrier's permit granted in one region of a State shall not be required to be countersigned by the Regional Transport Authorities of the other regions and the vehicle should be allowed unrestricted movement throughout a State. If necessary, the Motor Vehicles Act and the Code of Principles and Practice should be amended to make this possible.

12. Public carriers operating in areas where there is no railway at all, should be permitted to move freely without any countersignature over the entire area or if such area covers different zones, over all such zones.

13. Public carriers operating in rural areas and on feeder roads to rail-heads should also be permitted to move freely without the necessity for countersignature if the route or routes fall within more than one zone.

14. Passenger buses operating over distances not exceeding 150 miles on routes parallel to the railways should be freely allowed to do so without the necessity for countersignature if the route falls within two or more regions.

15. In the case of goods traffic particularly for smalls, motor transport should be permitted more freely than now to ply on routes parallel to and in areas served by railways for distances not exceeding 150 miles. The Regional Transport Authorities should be empowered to issue such permits which should not require countersignature in other regions within this distance limit.

16. Applications for permits for distances exceeding 150 miles should be directly received and disposed of by the State Transport Authority subject to the principles of the Code except that in regard to perishables like fruits and vegetables, permits should be given liberally irrespective of the distance within a State after giving an opportunity to the railways to show that they have made adequate arrangements for the carriage of such commodities.

17. **Encouragement to motor transport in rural areas.**—We also feel that special efforts should be made to encourage the use of goods transport vehicles in rural areas. As a first step, at least in areas where community projects including the construction of new rural roads are executed or in areas deficient in cattle, specific encouragement should be given to the use of motor vehicles for the transport of farm products to the market. This can be done by partly subsidising Cooperative Societies or a group of Panchayats, if they take the initiative by purchasing a suitable motor truck. This may be started in selected areas and tried on an experimental basis. It will also be necessary for State Governments to put up small workshops or subsidise existing workshops, if any, in and around those centres. Mobile vans will also have to be provided for petty repairs. The Planning Commission may make a specific

allotment for the purpose of subsidising the purchase of motor vehicles by the rural community. The requirement of a permit may be waived in such cases and a special concessional rate of tax, say Rs. 200 per annum, may be levied on such vehicles.

18. These recommendations of ours were placed before the Transport Advisory Council at its recent meeting and it is a matter for gratification that the Council accepted practically all these recommendations. The conclusions of the Council on these recommendations are given below:—

“The Council agreed that measures should be taken immediately to encourage road transport so as to achieve two ends, viz:

- (i) Provision of additional transport capacity in order to meet the needs arising out of the Five Year Plan, and
- (ii) Self-sufficiency in the automobile industry within a reasonable time.

2. The Council agreed that special efforts were necessary in order to increase the demand for each type of vehicle so that production could become economical. It was considered that absorption of about 10,000 to 12,000 trucks per annum during the next few years in addition to those required for the replacement of over-age vehicles would be a reasonable target to be aimed at.

3. It was further agreed that the policy of the Central and the State Governments should be aimed at regulating the road transport industry in such a way that it would be helped in getting additional load, in utilising its vehicles more fully, in getting vehicles which are suited to the conditions in the country and in securing better roads etc.

4. While reiterating that the regulatory provisions embodied in the Motor Vehicles Act, 1939, and the Code of Principles and Practice relating to motor vehicles were basically sound, the Council agreed that the existing restrictions should be relaxed in the following manner:—

- (1) Private carriers should be given far greater freedom of movement than what is permitted now.
- (2) Public carriers operating in areas not served by railways should be free from restrictions relating to compact area imposed under the Code. They should be permitted to move freely over the entire area or if such area covers different zones over all such zones.
- (3) Public carriers operating in rural areas and on feeder roads to railheads should also be permitted to move freely without the necessity for countersignature if the route or routes fall within more than one zone. The distance limitations imposed under the Code should not be applied in such cases.
- (4) Passenger buses operating over distances not exceeding 150 miles on routes served by railways should be freely allowed to do so without the necessity of countersignature, if the route falls within two or more regions.

(5) Goods lorries particularly those carrying mails, should be permitted to ply more freely than now on routes served by railways subject to the following procedure:—

- (a) For routes not exceeding a distance of 100 miles, between places served by railways, the R.T.A. should be free to issue permits under the Motor Vehicles Act.
- (b) For routes exceeding 100 miles and not exceeding 150 miles, between places served by railways, the R.T.A. may issue permits under the Motor Vehicles Act in accordance with the general or specific instructions of the State Transport Authority.

A permit issued as in (a) and (b) above shall be valid for the entire distance of 100 or 150 miles, as the case may be, without the necessity for countersignature by another Regional Authority if the route falls within more than one region.

- (c) Applications for permits for distances exceeding 150 miles shall be directly received and disposed of by the State Transport Authority subject to the principles of the Code except that in regard to perishables like fruits and vegetables permits shall be given liberally irrespective of distances within a State after giving an opportunity to the railways to show that they have made adequate arrangements for the carriage of such commodities.

5. The Council agreed that it would be useful to have a special scheme for encouraging the use of lorries in rural areas, at least, in areas where community projects including the construction of new rural roads are executed or in areas deficient in draught cattle. Encouragement may be given by partly subsidising co-operative societies or a group of Panchayats if they take the initiative by purchasing a suitable motor truck. Any such scheme will have to include the provision of small workshops in or around the centres and mobile vans for carrying out petty repairs. Such schemes may be started in selected areas and tried on "experimental basis."

19. Reorganisation of motor transport industry.—We have already referred to the defects from which the motor transport industry is at present suffering. As long as the industry is based on a large number of small units each owning one or two vehicles, these defects will continue. The desirability of encouraging the formation of viable units having over 15 vehicles or the setting up of Co-operative Transport Societies owning a number of vehicles has been repeatedly brought to the notice of State Governments. The Planning Commission have also reiterated the advantages of such large undertakings. In pre-partitioned Punjab, the State Government achieved a good deal of consolidation by a statutory provision. Even now, the Government of the Punjab are adopting a policy of preferring co-operative societies or Joint stock companies to individuals for the issue of permits. It has been urged before us by the All-India Motor Unions Congress as well as the West Bengal Lorry Syndicate that it is futile to expect the operators to

consolidate themselves into larger entities in such a manner and they have urged that the initiative should be taken by the Government. It has been suggested that Government should make it known that for purposes of issue of permits and countersignature of permits for operation in other regions or in other States, preference will be given to Co-operative Societies with larger units. In fact, the West Bengal Lorry Syndicate considered it essential that the freight transport services in Calcutta area should be taken over by one Corporation set up under statute and consisting of transport operators, representatives of the railways and the Government. On the whole, we agree that everything possible should be done to encourage the formation of bigger units.

20. **Licensing of booking and forwarding agents.**—Considerable harm has been done to the motor transport industry by intermediaries, popularly known as goods booking and forwarding agencies. Often such agencies have not even premises of their own and do not have any responsibility to discharge except to bring the lorry-owner and the user of the transport together. Such intermediaries are known to exist in other countries, U.S.A. also, but there they are properly licensed and have to act subject to certain statutory safeguards. We note that the Delhi State Government have already amended the Motor Vehicles Act with a view to enabling them to make rules for the regulation of these intermediaries. We are also informed that a suitable provision has been made for this in the comprehensive Bill to amend the Motor Vehicles Act, which is now under preparation.

CHAPTER XIV.—Inland Water Transport

As stated by us in Chapter II, although India has a number of rivers running over long distances, it is estimated that only 5,000 miles of river systems are navigable by modern power craft. Of this, the major portion lies in the Ganga-Brahmaputra systems, the other important navigable waterways being the canal systems on the East and West Coast of Southern India. In Assam, West Bengal and Bihar, inland steamer services are already being run by a number of steamer companies, the two most important of them being the River Steam Navigation Company and the India General Navigation and Railway Company, both of which are companies registered in the U.K. These companies have been operating in this region for decades and they have also got extensive services inside Pakistan.

2. Before the advent of the Railways, the Ganges system used to be navigable very far inland and steamers could go even up to Kanpur. With the utilisation of the water from the upper reaches of these rivers for irrigation purposes and the development of the railways, inland navigation lost its importance and the rivers also lost their depth and navigation became difficult. Now fairly deep water is available for navigation in Calcutta upto Buxar on Ganga and Bahrajghat on the Gogra up to which point the steamer companies are running feeder services from Patna. The main services of the companies, however, continue to run up to Patna. Through operation from Calcutta to Patna by the all-India route is possible only for about two months in the year and for the rest of the year when the Bhagirathi in its upper reaches becomes dry, steamers from Calcutta have to proceed to Pakistan and move upstream to Patna thereby covering an extra distance of nearly 500 miles. The services between Calcutta and Assam and Calcutta and Cachar also have to pass through Pakistan waters. Consequently, there is considerable delay due to the observance of customs formalities while passing through Pakistan. The services are also liable to interruption and harassment whenever there is political tension between the two countries. In spite of these handicaps, the water route has been most valuable for the country particularly for the movement of essential goods between Assam and Calcutta. The capacity of the Assam Rail Link is very limited and it is very necessary to maintain the water route.

3. The importance of the water route in the Eastern Region may be seen from the following figures of traffic carried by seven inland

steamer companies between Calcutta and Assam and Calcutta and Cachar during the period 1950-53:—

Year	(Figures in thousand maunds).
1950	22,759
1951	28,910
1952	25,304
1953	9,836

(Figures of traffic furnished by the Joint Steamer Cos. are incomplete. These cover only the first half of the year).

The bulk of this traffic was exchanged between Calcutta and Assam. The volume of traffic moving between these areas is thus of the order of 20 million maunds per year. This does not take into account substantial quantities carried by a number of jute mills and other industrial establishments in vessels owned by them. The major part of the inland steam vessels operating in the region are registered in Calcutta and the number of inland steam vessels so registered was 510 in October, 1953. Of these, only less than 200 belong to the seven steamer companies, the traffic handled by whom is given above. The Joint Steamer Companies together handle a large part of this traffic as may be seen from the following figures:—

Traffic handled by Joint Steamer Companies.

1. Traffic to Calcutta from Assam Valley.

	From Assam	From Cachar	Total
	(Figures in Tons)		
1951	3,81,202	40,874	4,22,076
1952	310,444	35,825	3,46,269
1953	3,91,114	37,090	4,29,204
1954 (Upto September).	1,87,326	31,959	2,19,285

2. Traffic from Calcutta

	To Assam	To Cachar	To Tripura	Total
	(Figures in Tons).			
1951	4,46,160	73,081	8,142	5,27,383
1952	3,92,071	72,496	10,328	4,74,895
1953	2,05,747	47,260	15,279	2,69,286
1954 (Upto September)	1,97,450	40,101	12,766	2,50,317

3. *Traffic from Ganges to Calcutta and vice-versa.*

	From Ganges to Calcutta	From Calcutta to Ganges.	Total
(Figures in tons)			
1951	612	49,706	50,318
1952	6,509	37,395	42,904
1953	6,234	24,418	30,652
1954 (Up to September)	2,893	35,180	38,073

4. *Intermediate Traffic.*

	Assam Internal	Ganges Internal	Ganges to Assam	Assam to Ganges	Total
(Figures in tons).					
1951	1,29,539	6,914	29,843	598	1,66,894
1952	1,31,464	2,015	22,665	271	1,56,415
1953	1,26,959	7,060	18,625	823	1,53,167
1954 (Upto September)	58,233	5,522	9,693	168	73,616

Summary

	From Assam to Calcutta	From Calcutta to Assam	From Ganges to Calcutta and back	Interme- diate.	Grand Total
1951	4,22,076	5,27,383	50,318	1,66,894	11,66,671
1952	3,46,269	4,74,895	42,904	1,56,415	10,20,483
1953	4,29,204	2,69,286	30,652	1,53,167	8,82,309
1954 (Upto September)	2,19,285	2,50,317	38,073	73,616	5,81,291
TOTAL	14,16,834	15,21,881	1,61,947	5,50,092	36,50,754

The traffic handled by steam vessels on the stretch of the Ganga falling within India is, negligible. Country-craft, however, do move substantial quantities of low grade materials on these stretches.

4. The Joint Steamer Companies have been complaining for sometime past about the diversion of traffic to the railways consequent on the removal of inflated charges over the Assam Rail Link and the imposition by the railways of separate ghat and transshipment charges over the river-borne traffic. The former is in accordance with the all-India railway policy of rate structure, and there does not appear to be *prima facie* justification for their complaint that their traffic had been adversely affected by the Railway's

decision. It is true that the steamer companies had been carrying a high level of traffic in the year 1951 due to unprecedented floods and land slides in Assam which curtailed the available capacity of the North Eastern Railway. During that year, considerable quantities of imported foodgrains had also to be moved to Assam by rail and river and these quantities were reduced in subsequent years. Apparently, the steamer companies were considering the traffic of that year as their normal and were afraid that the removal of the inflated charges would affect their position adversely. As regards the ghat and transshipment charges, ordinarily these should not unduly influence the rating structure of the steamer companies as they formed an insignificant proportion of the total freight charges quoted by the steamer companies which are in most cases much higher than the corresponding rail charges. However, the railways have since announced a reduction with effect from 15th October 1954 of the ghat charges from -/2/9 to -/1/8 per maund on all traffic interchanged between the railways and the Steam Navigation Companies at the following riverine ghats:

Dibrumukh, Silghat Town, Neamati, Pandu Steamer Ghat, Amingaon, Dhubri, Manihari Ghat and Tezpur Ghat.

The railways have also announced the introduction of the following new ghat charges on all rail borne goods traffic other than traffic interchanged with Steam Navigation Companies at the under-noted riverine ghats with effect from the dates shown against each:

Ghats		New ghat charges	With effect from
Manihari Ghat	}	8 pies per Md.	15-10-1954.
Sakrigali Ghat			
Pandu	}	3 pies per Md.	15-1-1955.
Amingaon			

The question of sharing of both the expenses incurred and charges levied for transshipment at the Joint Steamer ghats is under the consideration of the Ministry of Railways (Railway Board) in consultation with the Joint Steamer Companies.

5. In Appendix XXIV an analysis has been made of the quantities of different kinds of goods which moved by rail and river between Assam and West Bengal including Calcutta port in the year 1952-53. As explained in that statement, these figures are not complete in themselves and are defective in certain respects. The statement, however, shows that over 60 per cent. of the traffic carried between Assam and West Bengal moves by the river route. The strain on the river route has become greater still during the last few months with the dislocation caused to the Assam rail link by recent floods. In spite of this, the Joint Steamer Companies claim that they have surplus capacity of the order of 150 million ton miles per year in the upward and downward directions between Calcutta, 16 M. of Transport.

Assam, Cachar, and Bihar. They have explained that the downwards spare capacity is not available equally throughout the year, having particular regard to the period from August to December when the seasonal movement of tea and jute is at its peak. The upwards spare capacity is, however, reported to be more or less constant throughout the year. The Steamer Companies have been contending that by making full use of the river route for such traffic rail capacity could be freed for transfer to other areas and the railway saved considerable expenditure. The Steamer Companies have also submitted to the Government of India certain proposals intended to assist them in improving their own efficiency. We understand that these proposals are under the consideration of the Government of India.

6. We are informed that on receipt of certain complaints in 1953 about the high rates levied by the Steamer Companies, the Government of India requested the Chairman, Railway Rates Tribunal, to undertake a special examination of the freight rates charged by the Companies. This examination also covers the following additional points:

- (1) Conditions for booking and carriage etc. imposed by the companies.
- (2) Maintenance of passenger services and passenger fares.
- (3) Channel conservancy measures adopted by the Joint Steamer Companies and extent of Government assistance in the matter.

We feel that the results of these investigations will reveal more fully the part played by the Joint Steamer Companies in the region. In the meantime, we would recommend that any proposals to increase rail capacity between Assam and the rest of India should be kept pending so that the problem could be examined as a whole on the basis of the total transport capacity available in the region.

7. Inland water transport has just been mentioned in the First Five Year Plan. We feel that the subject should obtain better consideration at least in the Second Plan. We note that several preliminary investigations have already been carried out in regard to inland water transport in co-operation with the ECAFE. We have also noted the activities of the recently set up Ganga Brahmaputra Water Transport Board. We welcome the fact that the Board has undertaken to run a pilot demonstration project for studying the feasibility of towing barges with specially designed shallow draft tugs on the shallow stretches of the Ganga. We are informed that the specifications for the craft have been finalised and that tenders have been to be called for the craft. We also note that necessary staff has been sanctioned and are being recruited for carrying out the river surveys connected with the project. This project is a great and positive step forward and we have no doubt that on the success or failure of this project will depend the future of inland navigation in the country. We are also glad to hear that big Institutions like Standard Vacuum Oil Company are proposing to use the water route for moving their products and are experimenting with push towing tugs.

CHAPTER XV.—Coastal Shipping

The importance of maritime shipping to a country with a long coastline needs no emphasis. The Five Year Plan has accordingly provided for certain practicable targets for the development of the Indian shipping industry. According to these targets, at the end of the Five Year period the tonnage in the coastal trade should be about 315,000 G.R.T. and in the overseas trade 283,000 G.R.T.—totalling about 600,000 G.R.T. The following table shows the position with regard to the progress made in coastal shipping since 1950:

Total tonnage employed on the coast (both owned and chartered) and the total cargo carried in to the coastal trade during 1950 to 1954:

Year	Tonage (Indian) owned GRT	Tonage chartered (Foreign)	Total	Total cargo carried by Indian and non-Indian ships DWT	% of cargo carried by Indian ships		
1950	2,01,959	47,063	24,390	2,73,412	25,59,200	82%	
1951	2,17,202	6,938	7,541	2,31,681	24,48,259	96%	
1952	2,55,119	67,237	Nil	3,22,356	26,07,810	85%	
1953	2,57,217	22,926	Nil	2,80,143	28,84,341	100%	
1954	as on 10-9-1954	2,72,913 *	53,403	Nil	3,26,316	Not known	100%

*This includes 3 vessels of about 15,000 GRT which were employed not only on the coast but also in the Indian/Persian Gulf Trade.

It will be seen that the coastal trade is completely under Indian control. The target set in the Plan is also expected to be fully achieved by the end of the Plan period. Tonnage additions to the extent of 1,17,000 G.R.T. have already been made with the aid of Government loans and from the Companies' own resources and another 61,000 G.R.T. is expected to be added by 1955-56. The loan so far given to the shipping companies for expanding the coastal fleet is Rs. 4.0 crores. A further sum of Rs. 4.0 crores is expected to be given during the Plan period. These loans are given at concessional rates of interest.

The Reconstruction Policy Committee on Shipping had recommended in 1947 a target of 2,000,000 tons to be achieved in five years to carry 100 per cent. of the coastal trade, 70 per cent. of the near trade, and 50 per cent. of overseas trade. Having regard to this target, the provision made in the First Five Year Plan for Indian shipping has been criticised as being too modest. In this report we do not propose to deal with overseas shipping and would like to confine ourselves to coastal trade. The extent to which provision should be made in the Second Plan for the development of coastal and overseas shipping has been recently examined by a Study Group

set up by the Consultative Committee of Shipowners. In a report submitted to Government very recently this Group has come to the conclusion that the requirements of purely coastal trade will be met by a total tonnage of 400,000 G.R.T. during the Second Plan period. On the face of it this appears to be an insufficient addition but the Group has had to bear in mind the fact that even the existing coastal fleet finds it difficult to obtain cargo. The principal commodities to be carried are coal from Calcutta to the South and the West coast and salt from West coast to Calcutta. As already pointed out in this report, there is a general reluctance in the country to use the sea route as the cost by the sea route often works out to be higher than the rail freight. In addition, the use of coastal shipping involves the payment of heavy port dues and considerable handling charges.

As an illustration, we would quote the case of foodgrains moving from surplus districts in Andhra and in Orissa to Southern India. As long as the movement of foodgrains was controlled by the Central Government, the latter often moved substantial quantities of foodgrains by the rail-cum-sea route via ports like Chandbali, Visakhapatnam and Masulipatam. With de-control, however, most of the movements were left to the trade and, in consequence, there has been considerable congestion in the rail movement via Bezwada, as the trade is not willing to use the sea route and is prepared to wait until such time as wagons are supplied. We are informed that a similar position exists in regard to the movement of coarse grains from areas in Rajasthan to South India. There is thus an anomalous situation in which, on an overall basis, surplus transport capacity is available but still goods do not move because of the reluctance of the trade to use any agency other than the railways.

Shipping interests have also complained of competition from the railways. They have pointed out that as a result of certain decisions taken by Government and the railways about 40,000 tons of bone meal and manure from Saurashtra ports and about 50,000 tons of salt from Kandla were diverted from the sea to the rail route. They have pressed that such diversions seriously affect the economic working of shipping and cripple its financial strength which it vitally needs. They have further urged that it is essential to take such effective steps as will ensure that cargo suitable for movement by sea on the coast is not diverted to the rail route.

The shipping interests as well as Government have invested large sums of money in coastal shipping. In view of this it is obviously desirable that both the existing and proposed additional tonnage should find economic employment on the coast and the interests concerned should be in a position to earn a fair return on the capital employed in business after meeting all expenditure including repayment of loan and interest charges and after providing for depreciation and reasonable reserves for expansion and replacement.

In the same manner as an automobile industry has to be developed in the country as a necessity in times of war, it is absolutely essential to have a properly developed Indian Merchant Navy. Such a Navy will not only help India's naval defence but will also be

very useful in the transport of essential goods during an emergency. Coastal trade is the nursery and foundation on which a proper Merchant Navy has to be built up.

The maintenance of adequate coastal shipping is also essential from the point of view of employment. Thousands of men are now employed by the coastal shipping industry including sailing vessels. Any measures that may be taken by the Railways, which are likely to result in a reduction in the volume of coastal trade in the country, will have considerable adverse effect on employment. As part of the Five Year Plan the Central and State Governments and the port authorities are spending over 40 crores of rupees to improve port facilities and to modernise the ports. Coastal shipping and coasting trade contribute substantially to the revenue of Indian ports and the finances of the ports are likely to be affected adversely if coastal shipping is not fully utilised. For example, coal is the largest single commodity handled in the port of Calcutta and any diversion of coal to the all-rail-route will upset the financial structure of that port considerably.

Just as the railways have sought and obtained protection against serious competition from road transport in respect of long distance haulage, it is necessary to ensure that goods such as coal, salt and a few others which can economically be moved by the sea route are not diverted to the rail route. Coastal shipping rates are less flexible than railway freight rates as the mere vastness of the railway system enables adjustment in rates without seriously affecting the total revenue. Further, the cost of carriage by sea is also influenced by several factors over which shipping interests have no control such as supply of railway wagons to the ports, port dues and wharfage charges, stevedoring and other labour handling charges, which show an ever-increasing trend, slow turn-round in ports due to labour troubles etc. The railways, on the other hand, can exercise a better control over factors influencing their cost structure. This comparative inflexibility itself limits the extent to which coastal shipping can be used in the country.

Having regard to all these factors, we strongly feel that there should be a definite understanding between the Railways and the shipping interests with regard to the traffic that should be left to be carried by the sea route or by the rail-cum-sea route. We would also urge that the Railways should take due account of the plans relating to the Indian shipping industry in drawing up their own plans of expansion so that there may be no serious conflict of interests between the Railways and Indian shipping. For instance, any decision of the railways to move all their own requirements of coal by the all-rail-route will be a great blow to coastal shipping. While we generally believe that the user should have free choice in regard to the agency that he will utilise for despatching his goods, and would ordinarily be reluctant to recommend any official reservation of trade or commodities to different agencies, we do feel that it is desirable to adopt a policy of sharing the existing trade, in consultation with the Railways, to ensure the growth of the infant Indian shipping industry. We are glad to note that the railways themselves are anxious and willing to discuss the measures necessary for achieving coordination.

To ensure this development we consider it desirable that Government should set up a high level Committee consisting of representatives of the shipping interests, the Director General of Shipping, and the Railways, to go into all aspects of sea-rail co-ordination. The Committee may either be presided over by the Chairman of the Railway Rates Tribunal or an Economist of standing. This Committee will have to undertake a thorough examination of the cost of operation both by rail and by sea. The Committee may also examine the following specific suggestions made by the shipping interests:

- (i) Through booking facilities over the *sea-cum-rail* route between Bombay Port and Marmugoa and Bombay and Saurashtra Ports, which are now available to one of the Shipping Companies, should be extended to all other shipping companies or in the alternative the other companies should be given similar facilities in respect of other specified routes.
- (ii) These facilities should be made available for specified areas falling within a certain distance, say, 100 miles of the ports concerned, i.e., consignors within these areas should be allowed to despatch to and receive from similar areas goods by the *sea-cum-rail* route.
- (iii) Port to port traffic should, as a rule, be handled by coastal shipping by suitable adjustments in the railway rates for such traffic.
- (iv) The present railway rates for commodities like coal and salt are uneconomic rates being less than the actual cost of transport either over the entire distance or over distances beyond a certain limit. In the case of salt, this gives an unnecessary subsidy to the industry. With these uneconomic rates, the railway freight becomes cheaper than shipping freight and the traffic is reluctant to move by sea. Such rates should, therefore, be revised suitably.
- (v) The Railway Ministry should review their programmes of expansion having regard to the possibility of increased utilisation of sea transport and any saving thereby effected should be utilised for the development of Indian shipping.
- (vi) Movement of foodgrains from surplus States to deficit States should also, as far as possible, be by the *rail-cum-sea* route. Similarly, the movement of fertilizers from Sindri and Alwaye should, as far as possible, be by sea.
- (vii) If in respect of the traffic which should be carried by sea route or by the *sea-cum-rail* route, the aggregate cost of transport is higher than the corresponding cost of transport by the all-rail route, both the Railways and Steamer companies should make suitable adjustments in their rates and the port authorities should also effect suitable reductions in the port charges with a view to reducing the cost of transport by the sea route.

We ourselves made a beginning with the study of the problem of movement of coal by sea and had certain preliminary discussions with the Railways and the Coal Commissioner. It was then agreed that the two agencies should prepare certain joint proposals laying down the quantity of coal that the railways should be prepared to receive by sea. The preparation of these proposals took some time and ultimately it was agreed that the shipping companies should be asked to indicate the extent to which the sea freight on coal could be reduced on the basis of 17 ship loads per month. Accordingly, the Director General of Shipping was authorised to discuss the matter with the shipping companies. We understand that the question has been discussed more than once between the representatives of the shipping companies and the Ministry of Transport, the last such discussion having been held at Calcutta in December, 1954. At that meeting it was agreed that the shipowners should furnish to the Director-General of Shipping within a fortnight a detailed memorandum showing:—

- (1) Rates below which it would be clearly uneconomical for the shipping companies to carry coastal coal; and
- (2) The actual cost of transport of coal by rail so far as it could be worked out.

We would suggest that the detailed memorandum when received should be considered by the High-Level Committee which we have already proposed.

While we have favoured certain special measures being adopted in order to assist coastal shipping, we feel that the shipping interest should keep a constant watch on their cost structure and do everything possible to make their services efficient, economical and competitive without depending unduly upon Government for securing traffic.

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CHAPTER XVI.—COORDINATION OF INLAND TRANSPORT

Different aspects of coordination.—Opinion is practically unanimous about the desirability of achieving proper coordination of inland transport, but the problem has not yet been solved satisfactorily in any country. The advent of the motor vehicles revolutionised transport economy everywhere and constituted a challenge to the railways, which were monopolistic in nature and functioned as a controlled public service, by an individualistic form of transport operating flexible services in small units without economic controls and even enabling the individual to provide his own transport either of passenger or goods. There has been such a conflict between the various interests that in practically every country the Government has had to step in and make an effort at some degree of coordination. The community is keenly interested in the provision of the cheapest and most efficient transport and this should be given a high priority in the objectives of any transport policy. The community, as a tax-payer, is also interested in the maintenance of a healthy financial structure in the transport industry. Other considerations such as national security and conditions of employment in the transport industry have also to be taken into account. The first essential step is, as we have already recommended in Chapter I, the formulation and implementation of a definite policy by Government which would have due regard to the part to be played by each of the different means of transport in its own sphere of service.

2. Coordination has two aspects, *viz.*, (1) "integrated operation" involving the best utilisation of different forms of transport in combination with a view to improving the services and reducing the cost and (2) "division of function" or the determination of the means of transport or combination of means by which each consignment or passenger should travel. The former means the use of road or inland water transport for passenger and goods distribution in continuation or in connection with railway services, for example, in outagency services. This involves often the joint use of rail and road or rail and river terminals, issue of through road-rail, rail-river tickets, etc. The second aspect will be involved if there is any voluntary or statutory allocation of different commodities among different agencies or allocation of different routes for different agencies.

3. The methods of coordination will also have to differ according as to whether there is a surplus of transport competing for the traffic offering or there is a shortage of transport on the whole. In the latter case, for example, during War time, when the traffic to be carried is in excess of the transport capacity available, a different kind of control will have to be adopted as the factor of cost of operation will be less important. In India, at present both aspects of coordination are important. As we have pointed out, there is an over-all shortage of transport but in certain regions there may be

surplus capacity. In view of the manner in which legislative power in regard to transport matters has been divided between the Centre and the States under our constitution, problems of coordination between the State Governments *inter se* and between them and the Central Government also frequently arise. The chaotic condition prevailing now with regard to motor vehicle taxation and the differences in the policies pursued by various State Governments amply demonstrate the need for proper coordination in respect of both road transport as well as inland water transport.

4. The growth of nationalised undertaking in different States and their existence side by side with private road transport services has also created certain problems. Even where States are prepared to permit unfettered movement of transport vehicles between their territories, they often find it difficult to come to any mutual agreement if the road transport services in one State are nationalised and those in the other State are private owned. This problem has arisen in States like Uttar Pradesh and Vindhya Pradesh and Madras and Mysore.

5. We shall proceed to examine in the following paragraphs the problem of coordination between road and rail, rail and inland steamer and rail and coastal shipping. In India, the competition from the air is not serious enough to necessitate any special study at this stage.

6. Road-Rail competition.—The history of road-rail competition in this country is fairly well known. The competition became rather acute in the thirties and caused considerable concern to railway companies and to Government who had considerable stake in the railways even then. The Wedgwood Committee Report examined the problem at great length and revealed the evils of unregulated competition among road operators themselves. The Motor Vehicles Act of 1939 was then passed in order to provide for the proper regulation of the motor transport industry and to facilitate coordination with the railways. In an earlier chapter (Chapter XI) we have given a brief account of the provisions of Chapter IV of that Act which empowered Government to set up State and Regional Transport Authorities for ensuring coordinated development of road transport. The manner in which these Authorities have been functioning has also been discussed and suggestions made for improvement. We have also discussed in the same chapter the features of the Code of Principles and Practice which was subsequently adopted by Governments as a further measure of coordination. In Chapter XIII we have suggested certain relaxations in the Code to encourage the rapid growth of motor transport.

7. Code of Principles. Extent of adoption and analysis of objections.—As the Code of Principles and Practice in the regulation of motor transport in India has been subjected to severe criticism by road transport interests and by some of the State Governments, we desire to examine its working and to analyse the criticism against it, particularly of the State Governments. We note that the Code had been evolved in full consultation with the State Governments after discussion at several meetings of the

Transport Advisory Council. The Council discussed the Code as late as in January, 1953, when the following resolution was adopted:—

“As the provisions in the Code represent fair principles suitable for application throughout the country, they should be implemented by all States without delay. In States or regions where deviations in matters of detail were required on account of local conditions or difficulty in strictly complying with the provisions of the Code, these should be discussed by the State Governments concerned with the Ministry of Transport and Railways and suitable modifications agreed upon, without departing from the major principle of effectively providing for rail-road coordination.”

We, therefore, decided that it would be desirable to obtain from the State Governments direct any proposals that they might like to make in pursuance of the resolution quoted above. We also desired to have from them maps showing the zones now served by the goods vehicles and the revised zones that would be necessary according to their requirements. The States were addressed accordingly and final replies were received from 23 State Governments of whom only three, viz. Bombay, Madras and Madhya Pradesh, furnished the maps asked for. Even these replies contained only comments of a general nature instead of precise suggestions. We have already in an earlier chapter indicated the general position with regard to the adoption of the Code by the various State Governments. In the following paragraphs, we shall state the views of the various State Governments on the Code and also examine them.

(1) *Andhra and Madras*.—The existing practice in these States is that a basic permit for a goods vehicle, is issued for each district. If an owner requires his vehicle to operate in one or more neighbouring districts also, an endorsement for three routes below 100 miles on the trunk road is given by the Transport Authorities of the neighbouring districts. The State Transport Authority also grants, on application, extension for three routes not exceeding 350 miles on the trunk roads. In the case of vehicles belonging to districts which are beyond 350 miles from the city of Madras, one of the three routes is validated for more than 350 miles so as to permit the operators to come to that city, which is a big centre of commercial activity. The principle, besides being in consonance with the general objective of road transport supplementing rail transport, is also stated by the State Governments to be peculiarly suited to the local conditions. The administration of these States is based on districts and the State Governments consider that the introduction of a different system for the regulation of goods transport alone will not be received with favour by the public specially due to the inability of the Railway to cater fully for traffic offering in the regions concerned. Moreover, these State Governments feel that the introduction of zones of 75 miles radius may leave many important towns out and will defeat the very purpose for which the circle is designed because such zones would be disadvantageous to the operators of coastal districts.

The difficulties pointed out by these Government do not appear to be insuperable. Although the district boundaries for which permits are issued in these two States may not always serve as suitable terminals for the operation of goods vehicles, the intention underlying the Code is not that all zones should invariably be circular. What is required is that the outer-most point of operation of a goods vehicle should not be at a distance of more than 75 miles from its headquarters and if the vehicle is required to operate beyond this distance, it should do so on specified routes rather than in specified areas. If the 75 mile circle stops just short of a town and if it is considered necessary to include that town in the permitted area of operation, free zones can be added under clause 7 (iii) (c) of the Code. If there is any place in which it is necessary to allow public carriers to operate on an area basis and some points in the area are at distances exceeding 75 miles from the place from which the vehicle normally operates, it should not be difficult to find a solution by bipartite discussions.

The Railways have pointed out that the practice of these two Governments in issuing permits on specified routes up to 300 or 400 miles does affect the Railway's interest adversely and is not fair to the Railways. The Railways also contend that the State Governments have not cited any specific instance where the interests of trade and industry have been adversely affected by restrictions imposed under the Code.

We feel that subject to the general recommendations that we have already made in an earlier chapter with regard to the relaxations to be made in the Code, the present practice in Madras should be further discussed by the Ministry of Transport with the Ministry of Railways and the Government of Madras.

(2) *Bihar*.—The State has suggested retention of the whole of Chotanagpur Division as one compact area (instead of a circle with a radius of 75 miles) on the ground that it is not adequately served by the railways, although according to the provisions of the Code it should be divided into more than one compact area. It is, however, not quite correct to say that the Chotanagpur Division is not adequately served by Railways. This State has also not furnished the Study Group with specific points between which they desire road services to supplement the role of the railways to enable the latter to make a realistic approach to the former's problems in this regard. We are therefore unable to make any specific recommendations for deviations from the Code.

(3) *Bombay*.—The State Government have pointed out that due to acute financial stringency, it would not be possible to implement clause 2 of the Code relating to establishment and maintenance of the offices necessary for the effective administration of the Code. At present, the State is divided into seven regions for the purposes of the Motor Vehicles Act and Rules. These can be converted into 7 special zones of "compact areas" envisaged in the Code. However, in four cases, the area exceeds the prescribed limit of a circle with 75 miles radius, i.e. 17,678 square miles. The State Government consider that the creation of an eighth special

zone would not be possible owing to special reasons and, to that extent, they feel it necessary not only to deviate from the concept of a "compact area" but also from the equivalent area of 17,678 square miles. Further, they have pointed out that the rigid restriction of the range of public carriers to a maximum distance of 150 miles would cut up beyond recovery the whole complex network of road transport and allied services, resulting in incalculable harm to the State economy specially when they feel that the railways by themselves might not be able to cope with the additional demand for transport facilities arising from the execution of the First Five-Year Plan. Besides, this State Government feel that owing to the comparatively lesser density of population, public carriers in the State need a wide range for profitable operation. The State Government accordingly apprehend that the implementation of clause 7 would lead to widespread dissatisfaction and resentment amongst private owners of goods transport, and seriously imperil the success of "Goods Transport Scheme" launched by the Bombay State Road Transport Corporation recently—their ultimate objective however being to completely nationalise freight transport, circumstances permitting, in the same way as they have already done in the case of passenger transport. For these reasons, it is also not considered desirable by them to implement the provisions prescribing that permits for distances exceeding 150 miles between places connected by rail should be issued only by the State Transport Authority in terms of the Code.

In the chapter on nationalisation, it has already been recommended that goods transport should not be nationalised until the expiry of the Second Plan period. While we fully appreciate the special feature of Bombay State which may justify a further relaxation of the distance limit, we feel that the State Government should agree in principle to implement the provisions of the Code. We suggest that further detailed discussion should be held with the State Government and decision arrived at with regard to the fixing of a more liberal distance limit for specific regions of the State.

(4) *Madhya Pradesh*.—The State Government have recently accepted the provisions of the Code and have incorporated in their Motor Vehicle Rules a new Rule 58-A on the lines of sub-clauses (3), (4) and (5) of clause 7 of the Code, so as to give statutory recognition to these provisions. At present, public carrier permits in this State are however granted for a compact block of four contiguous districts and in addition for a particular road upto 200 miles in contravention of the Code.

The action of the Government of Madhya Pradesh notifying the Code of Principles as part of the Motor Vehicles Rules has been bitterly criticised by road transport interests on general grounds. We would suggest that these rules would require modification in the light of the suggestions made by us elsewhere if they are accepted.

(5) *Punjab*.—This State has been liberally granting permits for public carriers in contravention of the provisions of the Code presumably because of occasional bottlenecks in rail transport and

shortage of wagons—the area of operation of public carriers generally extending either to all roads in the plans in the two regions of the State or for specified hill roads. The railways report that as a result large quantities of fresh fruits from Ferozepur to Delhi (239 miles) and from Amritsar to Delhi (278 miles) and potatoes from Simla to Delhi (230 miles) are moving by road. The railways claim that they cannot only carry this traffic conveniently and with requisite promptness, but have sufficient capacity to carry all other traffic that is at present handled by road transport operators operating over distances in excess of those laid down in the Code. Moreover, under existing reciprocal agreements a large number of goods vehicles holding permits for Punjab or Delhi are allowed entry into the other State without any let or hindrance. Apart from this although some permits are not valid for inter-State traffic, it appears that there are regular arrangements for the transshipment of consignments from trucks authorised to run in one State to those belonging to the other. We are informed that the inter-State border between Punjab and Uttar Pradesh at Jamunanagar is a regular transshipment point. Although the State Government have stated that the introduction of these services was linked up with their rehabilitation programme, they have since reached an agreement with the Ministry of Railways that these services will not be replaced after they lapsed in the normal course and further that in demarcating the areas of operation of public carriers, the provisions of the Code would be adhered to in future. However, no proposals for demarcation of the revised zones have so far been drawn up by them.

Road Transport operation particularly of goods transport services, has been notably successful in the Punjab from the very beginning. Both the privately operated services as well as the nationalised services have been successful financially. We believe that the main reason is the existence of a large number of important and prosperous towns connecting equally prosperous village communities. This ensures a steady load factor both ways. The industry is better organised than in other States, consisting mainly of large undertakings and the liberal policies pursued by successive Governments have also been responsible for the success. We have not been able to gather any specific statistics to show that the road transport services have reacted adversely on the traffic handled by the railways. The mere fact that road services exist parallel to the railways does not mean that all this traffic has been diverted from the railway or that the railways should and would have carried them but for the existence of the road services. However, we would certainly stress the need for ensuring that the railways are not deprived of their long distance traffic which should normally go to them. Here again, there is scope for a detailed examination of the extent of competition and the effects on the railways.

(6) *Uttar Pradesh*.—In this State, each public carrier forms its own zone of 75 miles radius from its base of operation and also gets an extra route of 150 miles either in the region or between two regions, according to the terms of the reciprocal arrangements with the adjoining States. The bases of operation of the public carriers:

are scattered and, as a result, there are a large number of overlapping zones which are served by public carriers operating within the limits prescribed under the Code. In other words, no difficulty is being experienced in the implementation of the Code and the State Government do not require any modifications and adjustments in the Code.

(7) *West Bengal*.—The principles laid down in the Code have been adhered to, as far as possible, in spite of dissatisfaction among the transport operators. A few transport vehicles have been allowed to ply between Calcutta and the coalfields in West Bengal and Bihar and works site of development projects e.g., Damodar Valley Project, Sindri Fertiliser Factory, Chittaranjan Locomotive Works, Indian Cable Factory, etc., having due regard to the Code, but the Eastern Railway authorities seem to be reluctant to agree to this relaxation as a general measure specially when these movements are over long distances ranging from 160 to 386 miles and more so because they carry neither perishables nor fragile goods but very high rated traffic like lac, mica, furniture, livestock etc. from the coalfields area to Calcutta and salt, toilet requisites, cloth, stationery etc. in the return direction from Calcutta—for transport of which the Eastern Railway have adequate traffic facilities—particularly when the movement from Calcutta area to coalfields is in the direction of flow of empties. The State Government have suggested that with a view to meet the increased demand for quick transport to help the rapid industrialisation of the country, the limitations imposed in the Code should be relaxed so as to allow transport vehicles to move more freely between Calcutta and the Coalfields, and other industrial areas in West Bengal and Bihar—incidentally also enabling them to regularise the permits already issued.

While we generally agree that the railway capacity between the coal and industrial area and Calcutta City has been developed on a very large scale and is still being expanded and that normally there should be very little room for road transport operation, we find that there are occasions frequently when railway capacity is fully utilised and restrictions are imposed. The industrial area is being developed more and more with the addition day by day of several large scale projects. Taking advantage of this, a certain degree of development has already taken place with regard to road transport services in the region. We feel that these services should not be wiped out by applying the Code rigidly. While all reasonable care should be taken to see that road transport development is not such as to render railway capacity idle, we feel that a restricted number of road transport services should be allowed to continue between Calcutta area and the industrial area.

(8) *Hyderabad*.—The State Government have generally accepted the Code. The only significant modification made in the Code was with regard to the extension of the area of validity of public carrier permits from a radius of 75 miles to that of 150 miles even on routes parallel to the railway in view of the following:—

- (a) Restriction of 75 miles was not only retarding the free flow of traffic but also hitting hard the operators.

- (b) No marketing centres worth the name fell within the radius of 75 miles.

This modification was reconsidered recently and it was decided to limit the compact area to a circle of 75 miles radius and issue permits for specific routes for distances upto 150 miles, wherever necessary. The State Government have, therefore, no further suggestion to offer for deviation from the Code.

(9) *Madhya Bharat*.—In this State, public carrier permits are granted either for the whole of the State or for one of the two regions. It is reported by the railways that the public carriers licensed for the Southern region or the whole of this State carry goods traffic on the N. G. Railway line between Ujjain and Agar (distance 42 miles) with the result that out of a total stock of 31 covered and 22 open wagons available over this section of the Railway, only 4.5 on an average are in daily use—thereby causing a steady diminution in railway earnings as per figures appended below:—

Monthly average figures for the year October to September

	48-49	49-50	50-51	51-52	52-53
Outward Goods	36,975	33,886	19,332	7,865	10,417
Inward Goods	30,193	27,267	19,914	14,035	11,918

It is contended that this clearly shows that railway assets are proving to be idle and unless some special relief is afforded to this small NG entity by the State Government the former may, in the ultimate analysis, have to be closed down as unremunerative—thereby depriving the public of a useful facility. The State Government consider that the local conditions do not warrant acceptance of the provisions of the Code, which conflict with their taxation structure. They have accordingly suggested that they may be allowed to pursue their existing policy which, they feel, is an amplified form of the Zonal System envisaged in the Code.

Madhya Bharat is comparatively inadequately served by railways and as such will have to rely a good deal on road transport service. There is obviously scope for adjusting the nature and extent of the zones under the Code but care has to be taken to see that road transport services do not concentrate on routes parallel to the railways. We are unable, however, to appreciate the implication of the reference of the State Government to the conflict between the Code and their structure of taxation.

(10) *Rajasthan*.—It is reported that at present, public carrier permits are granted in contravention of the provisions of the Code for movement throughout the State, which is divided into three regions, in direct competition with the railways instead of as feeder to the railways. The State Government have pointed

out that it is difficult to implement the Code because of the following reasons:—

- (a) Some provisions of the Code run counter to the existing structure and principles of motor vehicle taxation in the State.
- (b) In most parts of the State, railway facilities practically do not exist.
- (c) Free flow of essential commodities, particularly during famines, from surplus to scarcity areas, is greatly hampered.
- (d) Trade and industry being undeveloped, business centres are scattered all over the State at long distances.
- (e) Any change in the present structure will hit hard the transport operators, most of whom are displaced persons.

Here again we do not fully understand the implication of the reference to the principles of motor vehicle taxation in the State. However, it is true that in large parts of the State, railway facilities do not exist and consequently there is a good deal of scope for road transport. We would, however, emphasize the necessity for avoiding wasteful competition with the railways on parallel routes and would suggest a detailed examination of the position in Rajasthan.

(11) *Saurashtra*.—At present, public carrier permits are granted as and when applied for. The total area of the State is only 21,000 square miles and, in view of the geographical conditions, lesser density of population, flow of traffic and marketing centres, the State Government consider that the State must be treated as one compact area for the purpose of the Code.

The State Government have entered into reciprocal arrangements with the Government of Bombay for counter-signature of permits between Saurashtra and the two adjoining districts of Amroli and Ahmedabad in the North Gujarat region of Bombay. They desire that these districts, whose area is 1634 and 3529 square miles respectively, should be treated as "free zones" for the goods vehicles of Saurashtra.

According to the State Government the Railway is not in a position to clear the traffic promptly on account of shortage of wagons and locomotives on the meter-gauge railway of Saurashtra and the bottlenecks at Surendranagar and Viramgam. For these reasons, the restrictions imposed by sub-clauses 4 and 5 of clause 7 of the Code will be greatly inconvenient and harmful to the trade and industry in the State and also to the development of road transport, without any corresponding advantage to the Railways. In view of this, the State Government have pointed out that the observance of these clauses should not be insisted upon and we are inclined to accept the views of this State.

(12) *Travancore-Cochin*.—This State has accepted, in principle, the provisions of clause 7 of the Code. Public carrier permits are

issued as a rule to be valid for areas within a radius of 75 miles from the centre of operation, the place of residence of the applicant being taken as his base, unless otherwise stated in the application. Although applications for permits for longer routes are stated to be dealt with on merits, the same are nonetheless issued liberally.

The State Government have pointed out that the railway facilities available to the State are scanty (*viz.* about 165 miles against an average of 750 miles in other places in India) and also disconnected in two sectors, leaving a gap of 100 miles.

As regards goods transport, although permits are generally issued in accordance with the provisions of clause 7 of the Code, the State Government have pointed out that there are widespread demands for more routes and greater distances. Practical difficulties are being experienced in the implementation of this clause, as the breadth of the State varies from 3 to 75 miles. Most of the roads do not run parallel to the Railways and the railways are not at present able to cope with goods transport, nor will they be able to do so in the near future. In spite of the cheapness of rail transport, people prefer road transport because of the speedy conveyance. As such, the question of imposing restrictions for the regulation of goods transport, as envisaged in clause 7 of the Code, should arise only when conditions return to normal and the railways are in a position to cater fully to the needs of the public.

It is true that the extent of railways in Travancore-Cochin at present is not considerable (there being only two lines *viz.* a B.G. line of 74 miles between Shoranur and Cochin Harbour Terminus and, a N.G. line of 99 miles between Sencottah and Trivandrum Central) but after the proposed Ernakulam-Quilon rail link is completed, the gap between the two sections serving important trading centres of Kottayam and Allepey will be filled in. It is also not correct to say that there is no unhealthy competition between the railways and the road services in the State in-as-much as roads run parallel to the railways between Shencottah and Quilon and between Ernakulam and Shoranur. We therefore feel that when the Ernakulam-Quilon link is put in, it would be reasonable to expect the State Government to conform to the provisions of the Code as modified by us.

(13) *Bhopal*.—This State, while generally accepting the provisions of the Code, is not inclined to agree to the concept of "compact area" laid down therein. It has been stated that Bhopal is a small State served by only one railway line. Most of the important towns do not lie on this line. The longest route in the State is 62 miles long and roads are parallel to the railway lines. The State has not been divided into zones for issue of public carrier permits and the existing system of issuing permits for the whole of the State is working satisfactorily. This State accordingly feel that the question of any adjustment or modification does not thus arise; and we are inclined to agree with this view point.

(14) *Himachal Pradesh*.—The requirements of this State are being adequately served by a number of rail heads on Northern Railway for Sirmur, Nagrota and Chamba Districts—all of which

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are covered by the State nationalised transport—both for goods and passengers. As these services are feeder to the Railway, this State does not envisage any difficulty in implementing the Code; in fact the question of deviation from the Code does not arise. It has, however, been suggested by them that the restrictions imposed on the grant of permits for a compact area of 75 miles radius or a distance of 150 miles should apply only to places connected by rail and not to those places where there is no rail link. The Code already covers this suggestion because the territorial limits laid down in clause 7 thereof apply only to "places connected by railways."

(15) *Vindhya Pradesh*.—The State is at present divided into two zones and a liberal policy is being followed in the grant of public carrier permits. Keeping in view the geographical position of the State, it is not considered possible by this State to adhere to the limit of a circle of 75 miles radius for operation of public carriers. The Ministry of Railway, however, feels that the real problem in Vindhya Pradesh is not of supplementing the railway services with road services but of expanding road transport. The State Government desire that the railways should run out-agencies between the rail heads to the nearest district headquarters and to the Capital of the State. As these services will serve as feeders to the railway, the Railway Administration concerned has already decided to open an out-agency at Rewa for passenger, luggage and parcel traffic, but the actual opening of this agency has been deferred till the question of running through buses between Rewa and Allahabad is decided. The prospects of traffic at the other places do not justify the opening of agencies there. We accordingly consider that the question of strictly adhering to the Code does not arise so far as this State is concerned.

(16) *Kutch*.—Passenger transport is already nationalised and a Kutch State Road Transport Corporation has been set up. The railways are also participating in this Corporation. While goods transport is in the hands of private operators, who are granted permits for public carriers liberally, the number of goods vehicles is small. There is thus not much scope at present for the implementation of the provisions of the Code in the State; as such so specific adjustments in the Code are necessary so far as this State is concerned.

(17) *Mysore*.—This State Government feel that with their poor finances it is not possible for them to create zones with a radius of 75 miles for goods traffic, which will involve the setting up of a separate machinery and appointment of Zonal Officers and staff and that with the compact and limited revenue districts, traffic administration is being carried out smoothly.

Implementation of the provisions of the Code relating to goods traffic is not likely to entail extra expenditure. The intention underlying sub-clause 7(3) (b) of the Code is that ordinarily the area of operation of goods vehicles should be restricted to zones with a radius of 75 miles when permits for them are to be issued for compact areas. Beyond these areas, there is no objection to the State issuing permits for specific routes only. As such the work of division of the State into zones can conveniently be entrusted

to the Regional Transport authorities who can take into account the provisions of the Code while granting permits. The appointment of Zonal Officers is not necessary. We would, therefore, urge upon this State Government to re-consider the position in the light of the aforesaid observations and arrange for an early implementation of the provisions of the Code.

We feel that, by and large, the Motor Vehicles Act and the Code of Principles & Practice have served a useful purpose in ensuring coordination between road and rail transport. We feel that with certain re-adjustments and modifications in these on the lines suggested by us in Chapters IX and X, more effective coordination between road and rail could be achieved.

Integrated operation.—In several States, integrated road-rail services are run particularly from railheads to the interior in hilly areas, for example, through road-rail tickets are issued from different stations in India to Srinagar (Kashmir). While such arrangements are particularly facilitated if the road services are nationalised, there are several examples of railways successfully operating such agreements with private interests also. We would recommend a wider extension of these arrangements in the plains also.

8. Road Transport Corporation.—As already explained in the chapter on nationalisation of road transport, it is the accepted policy of the Planning Commission and the Central Government to encourage the formation of State Transport Corporations under the Road Transport Corporations Act of 1950 wherever possible in order to ensue the operation of coordinated transport services. Only one such Corporation has been set up so far, i.e., in Bombay. The formation of such a Corporation in the Punjab has been announced, but it has still to commence work. All the preliminaries connected with the formation of a similar Corporation in Kutch have been completed. We are glad to note that similar proposals are under consideration in Ajmer and Madhya Bharat. We note that there is considerable reluctance on the part of a number of States to agree to form such Corporations, and those States are still adhering to departmental operation. We do not know their reasons for this preference and we would strongly urge that the pattern of the Corporation should be adopted all over the country as otherwise there is a tendency for departmentally operated road services to compete with the railways. The Corporation pattern will also enable the organisation to function on a commercial basis with sufficient freedom from day to day Government control. A corporation need not also be wholly dependent on Government's financial support for its capital expenditure as it will be free to borrow in the open market.

9. River-rail coordination.—We have already referred to some of the problems arising out of competition between rail and river services in the Eastern Region. We understand that investigations conducted by an expert deputed by the E.C.A.F.E. have shown that it would be difficult to run river transport services on the Ganga system on an economic basis unless they are run as integrated services with the railways. We understand that through-booking facilities already exist at certain points on the Ganga-Brahmaputra system and we would recommend the extension of

such facilities gradually to other centres. We feel that it will be difficult for inland water transport interests to find sufficient traffic by their own efforts and that it will be necessary for Government to help them by special measures to stimulate traffic. At the moment, however, the problem is not of great magnitude and future action will have to depend on the results of the experiments proposed to be undertaken on the Ganga with shallow draft vessels.

10. **Sea-rail coordination.**—This has been dealt with in Chapter XV.

11. **Agencies for coordination.**—At present, the agencies functioning at different levels for coordination of the various forms of transport are:—

- (i) Regional and State Transport Authorities set up under the Motor Vehicles Act, 1939.
- (ii) State Boards of Transport wherever they have been set up as recommended in the Code of Principles and Practice.
- (iii) Transport Advisory Council.
- (iv) Central Board of Transport.
- (v) Ganga-Brahmaputra Water Transport Board.

12. As regards the first category, we have already drawn attention to their existing deficiencies. We also understand that it is proposed to amend the Motor Vehicles Act so as to give powers to these Authorities to take into account while granting permits not only the existing road transport facilities but also all other forms of transport.

13. As regards the second agency, such Boards have been set up only in Madras, Punjab, Orissa, Assam, Madhya Pradesh, Bombay, Bihar and Pepsu States. But these Boards do not appear to be functioning very effectively.

14. The Transport Advisory Council is an important body which has been functioning for a number of years and has dealt with several major questions of policy. The constitution and functions of the Council may be seen at Appendix XXV. The Council has been meeting in actual practice once a year or once in 18 months. It is a huge and unwieldy body consisting of a number of representatives from each State. Though the State Governments are represented at the meeting of the Council at Minister's level, the decisions arrived at are not immediately binding and have to await ratification in due course by the State Governments. Very often the State Governments decide not to ratify the recommendations of the Council, and such recommendations remain a dead letter. While, undoubtedly, the Council forms a useful forum for discussion of the important problems, its deliberations are prolonged over years as may be seen from the slow progress over the adoption of the Code, the consideration of the recommendations of the Motor Vehicle Taxation Enquiry Committee, etc. The present tempo of administration requires a less unwieldy body which can meet more often and

arrive at quick decision which should be implemented expeditiously by the State Government. We understand that Government are already thinking of changing the Constitution and procedure of the Council suitably so as to achieve these objectives.

We understand that non-official interests have been pressing for their association with the deliberations of the Council. Examples have been cited of bodies like the National Harbour Board, the Light-house Advisory Committee, the Labour Advisory Board, the Import and Export Advisory Council etc. on which non-official interests have been given representation. It is, however, not appreciated that the Transport Advisory Council is materially different in its constitution as well as its functions from the organisations mentioned above. It is a purely official body which reviews the transport problems of the country as presented to them by the various official as well as non-official organisations and is expected to bring about a uniformity of legislation and policies in the various States. We understand that Government are already considering the steps to be taken to make the decisions of this Council binding on the various States. The achievement of this objective may be facilitated by convening the meeting of the State Transport Commissioners/Controllers well in advance (say six months) of the meeting of the Council so that they could

- (i) review the action taken on the previous decisions of the Council;
- (ii) discuss matters to be brought up before the next meeting of the Council and evolve agreed proposals; and
- (iii) draw up an agenda for the meeting of the Council.

The agenda could then be sent to the State Governments who would have ample time to consider the proposals put up in consultation with their administrative Officers and reach agreed decisions at Cabinet level so that their representatives who attend the Council meeting could authoritatively present the views of their Governments and influence the decisions of the Council, ratification of which would later become a mere formality. Association of non-official organisations with this high level governmental body would tend to make it more and more of an advisory and not a decision-taking body, which will defeat the very purpose of its constitution. The recommendation of the Motor Vehicle Taxation Enquiry Committee to set up an associated body of non-officials to advise the T.A.C. is also not feasible as there are already a number of non-official organisations and interests concerned with the transport industry whose advice is made available to the transport department from time to time.

15. Central Board of Transport.—The Central Board of Transport was first set up in 1947 and then re-organised in 1948. It is a compact body consisting of the Minister for Transport as Chairman, the Ministers of Commerce & Industry and Communications as Vice Chairmen and the Chairman of the Railway Board and Secretaries to the Government of India in the Ministries of Transport, Communications, Commerce and Industry, Production, Defence,

Home Affairs and Finance as Members. The functions of the Board are as under:—

- (i) to ensure the maximum coordination of all forms of transport and the elimination of wasteful competition,
- (ii) to coordinate the planning and execution of transport development,
- (iii) to watch and stimulate progress in the execution of plans, compile statistics relating to them and suggest adjustments and modifications where necessary,
- (iv) to consider major transport problems that arise from time to time.

The Board invariably co-opt representatives of State Governments when questions effecting their responsibility are discussed. The main purpose of the Board is to ensure high level considerations of major transport problems and policies with a view to getting integrated decisions without delay. During the initial stages of the Five Year Plan, important projects like construction of new railway lines and new ports and matters relating to zoning of coal movements were considered and approved of by the Board. But after the Plan had been fully formulated, there was no occasion for the Board to consider any major transport problem and therefore it did not meet during the last two years.

The Standing Committee of the Board consisting of representatives of the Ministries of Transport, Railways, Commerce & Industry, Production, Food and Agriculture, and Planning Commission, and the Salt Commissioner, with the Secretary of the Ministry of Transport as Chairman, however, meets regularly once a month and reviews the transport position as a whole. Under the Code of Principles and Practice, all requests for deviations from the Code are to be referred to the Standing Committee for decision from time to time. So far, however, no such reference has been made to this Committee.

The Code also contains a provision by which any dispute between the Central and the State Governments arising out of the administration of the Motor Vehicles Act or out of the interpretation of the Code shall on the motion of any one party to the dispute be referred for decision to an Arbitration Board. It will be noticed that if the Central Government is one of the parties to the dispute, the Chairman is to be appointed by the Chief Justice of the Supreme Court. So far, however, no such Board has been set up. We feel that this elaborate procedure for arbitration is not necessary. It should be possible for the Central Board of Transport to settle any such dispute after a full and free discussion. We, therefore, recommend that the provision in the Code relating to arbitration should be deleted.

We feel that the Central Board of Transport is a very useful body and that it should meet regularly not only to consider major decisions affecting the transport position proposed to be taken by the various Ministries but also to review the progress made in the implementation of the various projects and the transport problems generally.

Ganga-Brahamaputra Water Transport Board.—This is a special body for developing navigation on the Ganga-Brahmaputra systems. While larger problems of coordination between inland water transport and rail and other transport would be dealt with by the T.A.C. and the Central Board of Transport, this Board would continue to deal with specific schemes of importance and should continue to exist in its present form.



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CHAPTER XVII.—SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

In India railways have over-shadowed other means of transport like roads, inland waterways and coastal shipping. It is necessary in the national interest to have a co-ordinated development of all forms of transport. As a first step it is essential to formulate a national transportation policy which will give due recognition to the part to be played by each of the different forms of transport and embody it in a statute. Unless this is done the comparatively weaker elements in the transport system will not have proper scope for development. The railways will also then be in a better position to face competition from the big State-owned road transport systems which are rapidly developing. The declaration of policy contained in the Inter-State Commerce Act of the United States of America will be a useful model in this connection.

2. There is no reliable data relating to the movement of goods by road and by inland waterways. The adequacy or otherwise of existing transport facilities has, therefore, to be judged mainly in relation to the railways. The shortfall in meeting the demands on the railways may be roughly judged from the figures of outstanding registrations on the last day of every month. Making due allowance for the common tendency to inflate demands, the shortfall in meeting the current demands over the whole railway system may be estimated at about 10 percent. This estimate does not take into account the potential demand which is at present unsatisfied due to restrictions on bookings to destinations *via* limited junction and transshipment points. The shortfall is also felt more acutely over the busy period which extends over a period of seven months when the registrations are generally twice the number made during slack seasons.

3. By and large the provision of transport for the three basic industries, namely, iron and steel, textiles, and cement, has been fairly satisfactory, though the movement of finished products of these industries to areas affected by well known bottlenecks has inevitably fallen short of the full requirements.

4. Small industrial establishments despatching or receiving only less than wagon load traffic are experiencing difficulty.

5. A detailed analysis of the criticisms and complaints made by State Governments and commercial bodies shows that the limitations on the capacity of the railways are of three kinds, namely,

- (a) Inadequacy of line capacity of certain sections including the capacity of terminal yards, transshipment ferries, etc.;
- (b) Inadequacy of wagons; and
- (c) Inadequacy of locomotives.

The railways have already instituted a series of measures for increasing the line capacity and the number of wagons and loco-

motives. These measures include schemes for stepping up coal movements from the Bengal, Bihar, Central India, Pench-Valley and Singareni collieries. They also include schemes for meeting the demands arising out of the programme of expansion of steel works. In addition, schemes are in hand to remove bottlenecks and increase the capacity of sections, such as Waltair—Madras, sections in the South, sections above Moghalserai on the Northern Railway, and other important sections on other Railways. Attention is also being paid particularly to increase the break of gauge transshipment capacity at Sabarmati, Viramgam, and Agra-East Bank. The construction of a bridge on the Ganga at Mokameh will remove the difficulty now experienced with regard to the movement of goods across the river.

6. It has been assessed recently by the Railway Board in consultation with the Planning Commission that there should be increase in the capacity of wagon holding during the entire period of the First Five Year Plan to the extent of 69,645 wagons, constituting an addition of about 31 percent over the effective holding on the 1st April, 1951. Steps are being taken by the railways to procure as much of this as is possible immediately.

7. Provision has to be made correspondingly for locos and other ancillary requirements.

8. The railways have also initiated several measures for increasing operational efficiency and for improving the turn-round of wagons.

9. Having regard to the steady rise in the index of agricultural and industrial production, we feel that the increase in the wagon loading on the railways during the period 1951-52 to 1953-54 was disproportionately small even though significant increases were registered in respect of particular commodities, such as cotton, jute, cement, sugar, manganese and iron ore and tea. Proper planning requires the provision of a suitable cushion for meeting peak loads. On the whole, it will be reasonable to provide for a 30 percent increase in the transport capacity of the country.

10. The railways should continue to be the backbone of the economy of the country during the foreseeable future and the major part of the extra burden should inevitably be borne by them.

11. This does not, however, mean that areas not served by railways now should only be served by newly constructed railways to the exclusion of road transport or river transport. New railway construction in areas satisfactorily served by other means of transport should rather be discouraged.

12. An element of competition will provide a healthy incentive to more efficient working on the railways and in the present context of an expanding economy greater opportunities should be given for the development of other forms of transport.

13. The railways should consider the feasibility of using the rail-cum-sea route for moving their coal requirements on long term

basis. The feasibility of extending electrification of railways will also have to be examined as this will release transport now utilised for moving coal for the movement of other commodities.

14. With the growth of the automobile industry there will be an inevitable diversion of passenger traffic to the road. Unlike the position in some of the important railway systems of the world, on the Indian Railways whereas the total revenue derived from goods exceeded the income from passengers by 46 per cent. in 1952-53, the goods train miles run were only 75 per cent. of the passenger train miles run. The railways will, therefore, do well to try to re-adjust their train miles over local sections in such a way that goods traffic has a larger share of the use of the track and power. The loss, if any, arising out of the decline in the number of passengers may be made good to some extent by the railways participating in road operation by joining the State Transport undertakings.

15. Before World War II and upto the year 1940-41 the percentage of "smalls" to the total number of wagons loaded was very high, it being 23.1 on B.G. and 25.9 on M.G. in the year 1940-41. In 1953-54 the corresponding figures were 7.7 and 14.12 respectively. This means that consignments of smalls have either been kept out or have been moved by passenger trains as parcels. Smalls meant for transport over short distances upto 150 miles are ideally suited for transport by road particularly because of the advantages of safer handling, reduced pilferage, door to door delivery, etc. In view of the high level of taxation on road transport and high cost of fuel, road services cannot normally afford to carry goods at rates less than the parcel rates on railways. There can, therefore, be no appreciable danger to the railways in the near future, of serious competition from road services. There should, therefore, be no discouragement to the carriage of smalls by road over limited distances not exceeding 150 miles.

16. Statistics of motor vehicles of different types taxed in India during the last quarter of each of the years 1948-49 to 1952-53 reveal that the vehicles have increased from 2,69,669 to 3,33,219 during the period. Making allowance for the possibility that the increase may be due to improvement in recording statistics particularly in the former Indian States integrated with the rest of India, it is clear that there has not been any decline in the number of vehicles and that there has been a gradual growth. The figures of civil consumption of motor spirit also indicate the steady maintenance of the position since 1952.

17. In India a large proportion of the goods vehicles consist of public carriers. This is unlike the position in U.K. and U.S.A. where public carriers constitute only about 1/5th of the total number of goods vehicles. Industrial and manufacturing establishments in India are apparently reluctant to use motor transport for moving their own raw materials and goods. The reasons for this appear to be the difficulties involved in running a fleet of motor vehicles, the necessity of having a workshop, the lack of adequate, reliable, and economic repair facilities, the absence of return load, etc.

18. It is difficult to estimate the extent of idle capacity in road transport at present, but there seems to be unutilised capacity to the extent of about 30 to 40%. The main reasons for this are:

- (a) a number of vehicles becoming unserviceable in the absence of adequate repair facilities;
- (b) lack of confidence on the part of the public in individual truck owners;
- (c) absence of any proper business methods on the part of such owners;
- (d) absence of set rules for bookings;
- (e) the general disinclination of the operator to undertake to pay compensation for the loss of goods in transit;
- (f) absence of a definite system of rates, etc.

19. The slow rate of growth of motor transport in India is ascribable to the following reasons:

- (1) Absence of sufficient length of good roads;
- (2) Low standard of living;
- (3) Expensiveness of motor vehicles and high cost of operation;
- (4) Inadequate repair facilities;
- (5) The pre-dominantly agricultural economy dependent on age-old methods of cultivation, fragmentation of land, availability of cattle, etc., all of which factors rendered it uneconomical for the peasantry to think of using faster and more expensive means of transport.
- (6) The preference of railways to roads by the public, particularly industry and trade.
- (7) Lack of proper organisation of the motor transport industry.
- (8) Policies pursued by Governments, including the high level of taxation, mode of control and fear of nationalisation.

20. The suggestion that there should be an addition of one lakh goods vehicles to the existing number within the next two years will mean an investment of Rs. 160 crores which, according to present indications, is not likely to be forthcoming. Such an addition will mean the carriage of about 40 million tons of goods by road which will be practically 40 percent. of the total tonnage of goods originating over the whole Indian railway system.

21. A more realistic objective would be first, to enable replacement of over-aged trucks; secondly to obtain full employment for the existing trucks; thirdly to provide sufficient road transport capacity to carry the "smalls" traffic which the railways are not now able to carry, and fourthly the provision of additional road transport in rural areas gradually. In the light of the current manufacturing programme, an addition to the total road transport fleet for goods by 10,000 to 12,000 vehicles per year during the next two years may be aimed at in addition to the replacement of over-

aged trucks. A fleet strength of about 1,60,000 trucks by the end of the Second Plan Period would be a reasonable target to aim at. In addition, there will have to be expansion of passenger transport.

22. The First Five Year Plan provides for an expenditure of Rs. 153 crores on roads of all types. Having regard to the availability of men and materials, this is a practicable and realistic provision.

23. There is still a tendency to construct roads parallel and adjacent to the railways leading to duplication of transport services. It is desirable that State road plans should give priority to feeder roads connecting the interior with rail-heads. It is also desirable that whenever the construction of a major road, whether it is a National Highway or a State Highway, is decided upon, the project should have the approval of the Central Board of Transport or the State Road Board, if one exists, as the case may be. The Railways should have representation on such Road Boards.

24. The cost of operation of road vehicles is affected by several factors, such as the incidence of Central, State, and local taxes, the effect of vehicle utilisation, good and bad roads, use of diesel or petrol as fuel, the use of particular makes of vehicles, and the load factor. An analysis of the cost of operation of a Government undertaking reveals that the remissible part of taxation can only form a small percentage of the cost of operation. A further analysis of the influence of other factors indicates that the remissible part of taxation is relatively of minor importance as a controlling factor in the economy of transport operation, provided the rate of taxation is not of such a high level as in Madras. At the same time any remission of taxation will have great psychological value and would definitely help the marginal operator and to the operator working under competitive conditions. There is no justification for the continuation of taxation on motor vehicles at as high a level as is prevailing in Madras State. It is also essential and desirable to simplify taxation and provide for a uniform basis of taxation. It is to be hoped that the abolition of octroi duties on goods in transit will be brought about with the minimum delay.

25 Road transport policies should generally be directed towards the control of the industry in a manner which would help in increasing the load factor and vehicle utilisation, in the improvement of roads, in the encouragement of diesel operated vehicles, and in the development of the type of vehicles most suited to conditions of operation in India. The suggestion that statutory regulation of motor transport as provided for in the Motor Vehicles Act of 1939 should be discontinued, cannot be countenanced. This legislation is basically sound and is intended to foster the well being and interest of the operators themselves and the country at large. The Code of Principles & Practice is also an elastic document based on sound economic principles. It is generally desirable have a limit of 150 miles for road transport operation. This limit is based on the recommendation that road transport is essentially suited for short hauls and that for most commodities it ceases to be economical beyond 150 miles.

26. The Code of Principles and Practice, however, requires certain re-adjustments.

27. Strong criticisms have been made about the actual manner of working of Chapter IV of the Motor Vehicles Act. It is alleged that operators have been put to considerable inconvenience and harassment by the system of counter-signatures for going from one region to another. Inter-State movement of motor vehicles, except cars, is also very much restricted as a result of the rules framed by the State Governments. There is an increasing tendency for State Governments to issue temporary permits for short periods of four months and less so as to facilitate the extension of State operated services on the expiry of the private services. The development of the motor transport industry could have been much more substantial or at least the replacement of old vehicles would have been more satisfactory but for the uncertainty caused by the issue of the temporary licences.

28. The issue of permits is often not being done after an assessment of public convenience and necessity. Permits are also often issued on considerations extraneous to those laid down in the Motor Vehicles Act. It is further alleged that Regional and State Transport Authorities have to a large extent lost their independence and semi-autonomous status. The present limit of 3 to 5 years as the period of validity for permits for transport vehicles should be retained without modification. The Motor Vehicles Act should be amended to provide for the exclusion from membership of State and Regional Transport Authorities of officers of the Government connected directly with the operation of State Transport Undertakings. The work of the Regional and State Transport Authorities should be reviewed carefully in the light of the remarks made by Appellate Authorities and Courts in the country and the set up should be re-organised. In doing so, it should be recognised that road transport is a highly specialised problem and that the men controlling the industry should be specialists in the subject.

29. The Central Government should take power by legislation to regulate the Inter-State movement of road transport vehicles as the present method of regulation by the State Governments is unsatisfactory and highly restrictive.

30. The Planning Commission have, in consultation with the Ministry of Transport, already laid down the policy to be adopted by the State Governments in regard to nationalisation of goods and passenger services by road. It is to be hoped that all the State Government will accept these suggestions. Only if such a policy is pursued, will the private sector be in a position to invest the substantial sums of money required for the purchase of vehicles and for the provision of repair facilities.

31. The automobile industry in India should take a long range view of their own interests and of the country and try to offer their products at a reasonable price range. The marketing and distribution technique adopted by them will also require a revolutionary change if the products are to be sold in substantial numbers. In regard to passenger cars there is no doubt that the basic factor discouraging demand is the price of the vehicle.

32. A careful watch should be kept over the performance in India of the vehicles included in the manufacturing programme so that in due course the evolution of types of vehicles most suited for this country may be facilitated.

33. It is desirable to adopt the following order of priority in the development of road transport in the country:

- (1) Passenger and goods traffic in areas not served by railways.
- (2) Passenger and goods traffic in rural areas.
- (3) Passenger and goods traffic on feeder roads to rail-heads.
- (4) Passenger transport over distances not exceeding 150 miles in areas served by railways.
- (5) Carriage of goods over distances ordinarily not exceeding 150 miles in area served by railways.

34. Certain relaxations are recommended in the restrictions on the movement of private and public carriers and on passenger buses. These have already been accepted by the Transport Advisory Council at its meeting held in November, 1954.

35. State Governments may draw up special schemes for encouraging the use of lorries in selected rural areas by partly subsidizing co-operative societies or a group of Panchayats if they take the initiative by purchasing a suitable motor truck. Provision may have to be made for small workshops in and around the centres and for mobile vans for carrying out repairs.

36. Everything possible should be done to encourage the formation of viable units.

37. Intermediaries, such as goods booking and forwarding agencies should be subjected to statutory regulation.

38. Inland navigation plays an important part only in North-East India and 60 per cent. of the traffic moving between Assam and Calcutta by rail and river is carried by river. It is reported by the Joint Steamer Companies that a substantial part of their capacity, particularly in the upward direction from Calcutta to Assam, is unutilised. It is noted that a special investigation is now being made into certain matters connected with the operation of the Joint Steamer Companies and that a report is expected very shortly. Any proposal to increase rail capacity between Assam and the rest of India should be held up pending the results of that investigation so that the problem could be examined as a whole on the basis of the total transport capacity available in the region.

39. Inland water transport should obtain better consideration in the Second Five Year Plan. The extent of utilisation of river transport will depend to a large extent on the results of the Pilot demonstration project on the Ganga, which is taking shape.

40. The Five Year Plan includes a modest target in regard to coastal shipping in India. A Study Group set up by shipping interests has reviewed the position with regard to coastal shipping and has proposed an addition of about one lakh tons for coastal shipping

as a target to be achieved during the Second Five Year Plan. This is a very modest target and takes into account the fact that even now there is some difficulty in obtaining cargo for the limited coastal fleet available. In view of the comparatively high cost of transport by sea, resulting from factors over most of which shipping interests have no control, trade and industry are often disinclined to use the sea route. There is in existence an anomalous situation under which, on an overall basis, surplus transport capacity is available but goods do not move because of the reluctance of the trade to use an agency other than railways.

41. Both shipping interests and Government have invested large sums in coastal shipping. Ports also are developing and improving their facilities at a cost exceeding Rs. 40 crores. National security demands the existence of a properly developed merchant navy for which coastal shipping is the necessary foundation. Coastal shipping is also important from the point of view of employment. Having regard to these considerations, there should be a definite understanding between railways and shipping regarding the traffic that should be left to be carried by the sea route.

42. It is desirable that Government should set up a High Level Committee to go into all aspects of sea-rail co-ordination. (Government have already accepted this recommendation and a Committee is being appointed).

43. Several complex problems of co-ordination have to be tackled in India. These include co-ordination between road and rail, rail and coastal shipping, rail and inland waterways, among road transport operators themselves, and between nationalised operated services and private services. A fairly good degree of co-ordination has been achieved between road and rail by means of the Motor Vehicles Act and the Code of Principles and Practice. Certain readjustments and modifications are, however, necessary in the Code and these have been indicated in detail.

44. An expansion of the system of road operation by road transport corporations in which the Railways and State Governments should take part is desirable.

45. It is desirable to examine the feasibility of operating integrated services over the railways and inland waterways. An extension of through booking facilities is also desirable. Government also may have to adopt special measures to stimulate traffic by inland waterways.

46. The Constitution and working of the Transport Advisory Council should be changed so as to make it a less unwieldy body which could take quick decisions. Efforts should also be directed towards making the decisions of the Council binding on the State Governments.

47. The Central Board of Transport should meet more regularly and it should consider not only the major decisions affecting the transport position proposed to be taken by the various Ministries but also review the progress made in the implementation of the various projects and the transport problems generally.



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APPENDIX I

Statement showing average daily loading of wagons and outstanding registrations on the last day of each month during 1953-54.

Month	Gauge	Average daily loading of wagons.	Total No. of wagons loaded during the month	Outstanding registrations on the last day of the month
April 1953	B.G.	12,267	3,67,916	65,289
	M.G.	7,424	2,22,734	69,364
May 1953	B.G.	11,754	3,64,374	59,697
	M.G.	6,677	2,06,994	77,525
June 1953	B.G.	11,153	3,34,591	50,592
	M.G.	6,202	1,86,057	71,892
July 1953	B.G.	11,153	3,45,745	45,143
	M.G.	6,191	1,91,930	54,375
August 1953	B.G.	11,106	3,44,290	26,967
	M.G.	6,303	1,95,414	35,788
September 1953	B.G.	11,700	3,51,000	16,922
	M.G.	6,405	12,158	29,472
October 1953	B.G.	11,582	3,59,023	12,605
	M.G.	6,395	1,98,244	33,50
November 1953	B.G.	11,896	3,56,880	27,87
	M.G.	6,452	1,93,565	
December 1953	B.G.	12,377	3,83,687	58,012
	M.G.	7,560	2,34,360	71,531
January 1954	B.G.	12,268	3,80,309	68,3
	M.G.	7,668	2,37,714	1,02,4
February 1954	B.G.	12,682	3,55,096	54,011
	M.G.	7,949	2,22,565	92,512
March 1954	B.G.	12,755	3,95,402	59,207
	M.G.	7,327	2,27,151	78,844
Average for the year 1953-54	B.G.	11,886	3,61,526	45,725
	M.G.	6,874	2,09,074	63,955

APPENDIX II

Statement showing the demand for loading of wagons and wagons supplied for three basic industries viz, iron and steel, cement and textiles during 1953-54.

Finished steel

Months										Wagons indented	Wagons supplied
April	1953	.	.	.	.	.	.	.	.	6531	6497
May	1953	.	.	.	.	.	.	.	.	6764	6509
June	1953	.	.	.	.	.	.	.	.	6044	5879
July	1953	.	.	.	.	.	.	.	.	6062	5986
August	1953	.	.	.	.	.	.	.	.	6106	5776
September	1953	.	.	.	.	.	.	.	.	5700	5480
October	1953	.	.	.	.	.	.	.	.	6684	6590
November	1953	.	.	.	.	.	.	.	.	7638	7480
December	1953	.	.	.	.	.	.	.	.	8786	8725
January	1954	.	.	.	.	.	.	.	.	7924	7833
February	1954	.	.	.	.	.	.	.	.	7457	7408
March	1954	.	.	.	.	.	.	.	.	8958	8943
Total										84654	83106
Shortage over the year										1548	
Percentage of indents										1.84	

APPENDIX II (contd.)

Statement showing the demand for loading of wagons and wagons supplied for the movement of raw materials to the Tatas, Iron Works at Jamshedpur during the first five months of 1954.

Month				Wagons indented		Wagons supplied	
				KOS	Ord.	KOS	Ord.
January	1954	.	.	4727	1217	4015	1230
February	1954	.	.	4304	1320	3957	1417
March	1954	.	.	4702	1272	4408	1243
April	1954	.	.	4404	1398	3978	960
May	1954	.	.	4718	1577	3871	1247
Total				22855	6784	20229	6097
					KOS	Ord.	Both
Shortage over 5 months				.	2626	687	3313
Percentage of indents				.	11.49	10.26	11.17

APPENDIX II—*contd.*

Statement showing the demand for loading of wagons and wagons supplied for the movement of Cement during 1953-54.

Month	Wagons indented	Wagons supplied
April 1953	13689	13395
May 1953	15598	14906
June 1953	15932	15231
July 1953	18434	16604
August 1953	16719	15036
September 1953	16356	15341
October 1953	15476	15200
November 1953	15969	15479
December 1953	18568	17369
January 1954	18196	17013
February 1954	17211	15776
March 1954	20689	18586
Total	202837	189936

Shortage over the year...12901
 Percentage of indents...6.36

APPENDIX II (*contd.*)

Statement showing the demand for loading of wagons and wagons supplied for the movement of cotton textiles during the year 1953-54.

Month	Wagons required		Wagons supplied	
	Cloth	Yarn	Cloth	Yarn
April 1953	3399	831	2507	407
May 1953	3399	831	2628	421
June 1953	3400	833	2163	422
July 1953	3590	911	2313	468
August 1953	3590	911	1678	464
September 1953	3590	913	1934	602
October 1953	3319	887	2156	516
November 1953	3319	887	2431	415
December 1953	3321	887	2653	614
January 1954	3602	1033	2737	564
February 1954	3602	1033	2448	480
March 1954	3603	1034	2266	484
Total	41734	10991	27914	5757
		Cloth	Yarn	Both
Shortage over the year		13820	5234	19054
Percentage of indents		33.11	47.62	36.16

APPENDIX III

Replies (received from individual Manufacturing Establishments) to Question No. 7 of the questionnaire issued by Study Group (Transport Planning)

Question No. 7.—If your dependent on rail transport for moving your raw materials and finished products, have your demands been fully satisfied during 1953 ? If not, what was the extent of shortage expressed in terms of wagons or maunds per day, per month separately for each source of supply ? Only firm indents placed or wagons should be taken into account.

Serial No.	Nature of Establishment	Reply
AHMEDABAD REGION		
1.	Paper Mills	50% of our demands were satisfied. On an average we require 2 wagons per day, while we get 1 wagon per day.
BOMBAY REGION		
1.	Dyestuffs and ancillary products for textile industry.	No. On the Central Railway there were certain "Block Points" e.g., <i>via</i> Wadi, <i>via</i> Ajni, Kanpur, Itwari and Nagpur, and <i>via</i> Poona. On the Western Railway <i>via</i> Sabarmati and <i>via</i> Ratlam are also "Block Points". Most of our despatches are in "smalls" and we are unable to state shortages in wagon loads.
2.	Glass works	Our demands have been satisfied by the Rail transit. Only thing is that the booking is not available in time and the restrictions create much inconvenience even the work suffers thereby. Some times, demands are cancelled, if not fulfilled in time.
3.	Steel products	Against indents for 109, 316 wagons for coal only 92, 260 wagons were supplied. There was thus a shortage of 17,056 wagons during the whole year.
4.	Engineering goods	Supply of wagons have been reasonably satisfactory, although on occasions, there have been shortages of special types of wagons e.g., BKC, BFR.
5.	Tin-containers and Tin-plates products.	Yes.
6.	Rubber Products	Under the present classification, we receive an extremely limited number of wagons at our siding. During the year the number of wagons indented was 2437 against which only 332 wagons were supplied thus only 13.6% of our requirements were satisfied.

Serial No. Nature of Establishment

Reply

CALCUTTA REGION

1. Pottery works On the whole, wagon availability was satisfactory, though there were periods of scarcity due to operational difficulties of a temporary nature. It will be difficult to tabulate and analyse such acute difficulties experienced.
2. Cotton Mills Arrangements for supplying raw material to use are being made by the suppliers themselves. Arrangements for despatch of finished products are being made by us as and when necessary.
3. Jute Mills No. We are not dependent on rail transport for moving our raw materials and finished products.
4. Automobile Manufacture . . Our demand for wagons both for import to and export from our shops has not been met by Eastern Railway. There is invariably a shortage of wagons required by us and frequently our finished vehicles have to be sent even to long distances by road. So far as Railways are concerned, we have been pressing for the supply of covered wagons but even open trucks are not available. The pilferage in despatching motor vehicles by open trucks is very heavy with the result that the insurance charges for vehicles despatched have gone up from about Rs. 65/- to Rs. 170/- inspite of the vehicles being sent under Armed Guards which add to the cost of production.
5. Cotton Mills Wagons allotment for transport of cotton and coal has been causing occasional bottlenecks particularly since the regrouping of Railways.
6. Aluminium and Bauxite Products . For movement of raw materials we have not had much of difficulty. Occasionally there are restrictions for movement of bauxite but these are due to seasonal reasons. But for movement of finished products the availability of wagons have not been adequate. For coal especially we have received only about 60% of our indents. For movement of ingots, sheets and circles, there have been too many restrictions on bookings.
7. Raising of coal Wagons supply for the various orders that we had during 1953 was on the whole quite satisfactory.
8. Jute Mills We are dependent on rail transport for moving our coal. Generally our demands were met but in some months there were shortages as indicated below, all from Jamuria, Rasundanga Sidings from where all our coal is despatched.

January	. . . .	20 wagons
February	. . . .	10 wagons
May	. . . .	5 wagons
July	. . . .	5 wagons
August	. . . .	10 wagons
October	. . . .	20 wagons

Serial No.	Nature of Establishment	Reply																								
9.	Tyres, Tubes and other Rubber Goods for Motor Vehicles and Cycles.	<p>February 1953. 94 wagons indented for, 80 supplied, 2 passenger wagons utilised for urgent despatches.</p> <p>March 1953. 101 goods wagons indented for, 49 supplied. 24 passenger wagons utilised for urgent despatches.</p> <p>These were the worst months. Almost throughout the year all our despatches to Madras had to be sent by sea as wagons were just not available.</p>																								
10.	Jute Goods	Not dependent on rail transport																								
11.	Steel Products.. . .	During 1953 about 3 wagons per month were supplied for transport of coal.																								
12.	Steel Products	<p>We are dependent on railway transport for movement of our Raw Materials and Finished Products. During 1953 we experienced shortages as given below :—</p> <p>(1) For loading raw materials in K. O. and Ordinary wagons Total K. O. 1300 wagons. Ord. wagons 810.</p> <p>(2) For despatch of finished products, the percentages of short supplies of BF RS against indents is given below :</p> <table><tr><td>January</td><td>2.5</td></tr><tr><td>February</td><td>17.5</td></tr><tr><td>March</td><td>3.5</td></tr><tr><td>April</td><td>11.2</td></tr><tr><td>May</td><td>8.7</td></tr><tr><td>June</td><td>6.0</td></tr><tr><td>July</td><td>12.5</td></tr><tr><td>August</td><td>25.4</td></tr><tr><td>September</td><td>—</td></tr><tr><td>October</td><td>23.6</td></tr><tr><td>November</td><td>26.7</td></tr><tr><td>December</td><td>5.1</td></tr></table>	January	2.5	February	17.5	March	3.5	April	11.2	May	8.7	June	6.0	July	12.5	August	25.4	September	—	October	23.6	November	26.7	December	5.1
January	2.5																									
February	17.5																									
March	3.5																									
April	11.2																									
May	8.7																									
June	6.0																									
July	12.5																									
August	25.4																									
September	—																									
October	23.6																									
November	26.7																									
December	5.1																									
13.	Metallurgical Coke and other Chemical Products.	<p>We are dependent on rail transport and our demands have not been fully satisfied : 1953. Ours is a coal carbonisation plant that has to run continuously and as such our raw materials must reach us in proper schedule. Proper schedule must also be maintained for despatches of our main product, Coke, to avoid double handling charges, loss and breakage due to double handling. The extent how much our indents have not been met on an <i>average basis</i> will not therefore give the true picture of the situation. Regularity of supply on day to day basis is required.</p>																								
14.	Bicycles and components	<p>Yes, particularly for finished products. Full satisfied. Caskal difficulty regarding availability of wagon space.</p>																								

Serial No.	Nature of Establishment	Reply
15.	Aluminium products	Company employees were on strike during major portion of 1953.
16.	Paper Mills	On the whole satisfactory.
17.	Jute Mills	Rail and Inland Water Transport. Yes, our demands have been fully satisfactory.
18.	Paints and other similar products	No. Shortage of wagons 757 Tons (38 wagons). Firstly, delay in getting wagons. Secondly restriction of bookings.
19.	Steel Products	Yes.
20.	Chemical and Pharmaceuticals	Dependent on Rail transport and our demands have been fully satisfied during 1953.
21.	Do. . . .	No wagon load consignment of medicines, Toilets etc. despatched from this factory. This factory by the very nature of its commodities, is concerned with traffic in "smalls".
22.	Paper Mills	<p>Entirely dependent on rail transport for all principle raw materials. Shortages of wagons have been negligible except on Northern Railway where our requirements have not been met in full.</p> <p>With regard to despatch of finished products serious difficulties were experienced, in April and May, and again in August due to Booking Restrictions, Junction limitations, when only about one quarter of our wagon requirements were allotted. The restrictions during the first period were, we understand, due to all available wagon being diverted to the coalfields and Sindri coupled with difficulties caused by the drought during an abnormally hot season and in the second period due to extension flooding in certain areas. Since September, 1953, despatch of paper has been negligible.</p>
23.	Cotton Mills	Dependent on Railway transport. No serious difficulties experienced except on occasions.
24.	Do. . . .	Yes. Coal is the only article for moving which we are dependent on rail transport. So far as this article is concerned, our demands have been fully satisfied in 1953.
25.	Jute Mills	Jute sellers continuously asked for extension of delivery period of contracts on the plea that wagons are not available, but we are unable to state whether sellers had in all cases placed firm indents for wagons at up country stations.
26.	Textile Machinery	<p>Inward movement of raw materials was satisfactory.</p> <p>As regards outward movement of finished products, wagons were not supplied as indented for. The shortage was 16% of the indent. Difficulty was experienced mostly in booking to Bombay and Ahmedabad.</p>

Serial No.	Nature of establishment	Reply
DELHI REGION		
1.	Bicycles and Bicycle Parts	Our despatches fall in the category of smalls and these are not lifted regularly due to limited quota of booking allotted to Sonapat.
2.	Liquors and spirits	No trouble in 1953. However, booking of smalls by goods train to stations in Rajasthan such as Bikaner, Ganganagar, Jaipur, etc. is always restricted and accepted on allotment only, which usually takes about 6 weeks with the result that orders mean while cancelled.

KANPUR REGION

1.	Cotton Mills	Mainly dependent on rail transport. Demands fully satisfied.
2.	Brushes of all description	All demands met by goods or passenger train. Considerably delay to destinations in South and West India during April/June 1953 owing to booking restrictions.
3.	Jute Mills	Transport difficulties over N. E. Railway are recurring. Authorities always complain of shortage of wagons. Even today more than 300 wagons demand is pending clearance. 'Extreme Wagon Shortage' is the reply of the N. E. Railway Authorities.
4.	Cotton Textiles	No. Due to booking restrictions on railways despatches of manufactured goods were unduly delayed and large stocks accumulated. There was a shortage of coal wagons during August, September, October, November and December, 1953. We received 50 wagons against an allotment of 60.
5.	Tannery Products	We are almost entirely dependent on removing our raw and finished materials by rail and during the year 1953 our demands for goods train transport for exports were not met to a very great extent and we had to utilise passenger train facilities. The figures for exports are as follows :

Tons by passenger train 600

Tons by goods train 7500

The passenger train figure represents the extent of goods facilities refused to us.

6.	Cotton piece goods	We have not had any trouble, except slight hold-up of raw cotton supplies from Madhya Pradesh and Madhya Bharat and also some difficulties with the Northern Railway in respect of transport to Bihar.
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Serial No.	Nature of establishment	Reply
KANPUR REGION—contd.		
7. Oil Mills	.	Yes, for our finished products, we depend on rail to the extent of 95% and during 1953 our demand was not fully met by rail and hence we have to stop crushing from time to time. Our indents were met even after 3 or four months. We think if our indents were regularly met, we might have required at least 100 metre gauge wagons more during 1953 to meet our demands. It is for want of movement facilities that our production has gone down during the last four years. For raw materials and coal, we do experience some difficulties in metre gauge. We have to draw 10 to 15% of oilseeds from these sources, for which much difficulty was not experienced during the year, but for coal, we are experiencing great difficulties and that is why we have closed our mills for the last two months. About twenty wagons more are required for coal.
8. Plastic Products	.	We do not move full wagon load either of raw materials or of finished goods and as such it does not apply to us.
9. Cotton Mills	.	We experienced some difficulty at times regarding transport of coal due to wagon shortage and/or due to booking restrictions. Indents, however, for wagons were not placed by us but the suppliers.
10. Woolen Mills	.	We are dependent on rail transport for moving our finished products. Unfortunately we do not have large consignments to a single destination on the Southern Railways, and cannot, therefore, make use of full wagon despatches. Being obliged to make despatches in small miscellaneous lots, we experience considerable difficulty in regard to despatches by goods train particularly to all stations on the Southern Railway, and slightly lesser degree on the North Eastern Railway. Frequently we were obliged to make despatches by passenger train in order to ensure supplies to the markets.
11. Cotton Mills	.	Railage has of ten to be held up due to short supplies of wagons.

MADRAS REGION

1. Fertiliser Mixtures	.	Generally speaking we find little difficulty in obtaining our requirements of railway wagons although there are short period when movement is restricted. Our total output is despatched by rail.
2. Furniture, Pharmaceuticals and Carbon dioxide gas.	.	Yes. No shortage experienced.
3. Tannery Products	.	Yes.
4. Gold Mining	.	Yes, our demands for transport of raw material have been fully satisfied during 1953. Finished products are transported by air freight. However, we wish to point out that there has been delay on some occasions for the allotment of wagons owing to restrictions imposed on booking of <i>via</i> certain routes.

Serial
No.

Nature of Establishment

Reply

MADRAS —*contd.*

5. Unmanufactured Tobacco Although a majority of our wagon demand were complied with, supplies were not made as and when required by Railway due to traffic restrictions and movements of food materials etc. For the urgent needs of some of our Cigarette Factories we had to move tobacco by road or by Inland Water Transport.
Approximate number of wagons required for moving tobacco is 3,112 against which 2,512 were supplied, a shortage of approximately 600 wagons. Separate detail of shortage of wagons per day, per month cannot be ascertained as movements take place as and when orders are received from our Customers in India and abroad.
At certain of our Branches, wagon indents are restricted to a maximum of 3 or 4 wagons and unless the indents previously place are met with, fresh indents cannot be made for wagons. Therefore, firm indents placed by us alone cannot be taken as our requirements.
6. Cigarettes We had occasional set backs due to restriction but, generally speaking, the position was satisfactory during 1953 and we have no specific complaint to make. Lorry transport was utilised to a small extent.
7. Petroleum Products. For 4 months in the year, period of peak off take, 4 shortfall of 40 tankwagons is felt per month against actual demands. With the anticipated increase in demand for Petroleum Products, the shortage in wagon would be felt more. In addition, booking of sundry goods by smalls and regular allotment of wagons space are not made available. Extent of shortage about 100 maund per month.
8. Electric batteries.
9. Cotton Mills Excluding overseas sales and sales within Madras City limits, we are dependent on Rail transport, but as our demands for wagon on our Railway siding are met only partially about 113 of our despatches have to be made through public goods stations which involves extra handling and transport charges.
10. Petrol & Petroleum products. Our demands have not been fully satisfied in respect of Tankwagons.
11. Metal containers. During 1953, our full requirements of wagons and smalls' booking were met. Occasionally there were delays up to a week owing to the non-availability of wagons or restrictions on the line.
12. Pharmaceuticals and milk foods. We have no firm indents for wagons.
13. Sugar & Confectionery Yes.
14. Vegetable Oils Our demand was satisfied but during January to May we experienced delays.
15. Petrol and Petroleum Products. Yes, but after long delays.

Note.—Nine other manufacturing establishments in the aforementioned regions, to whom the questionnaire was sent, returned it stating that they were not concerned with it.

APPENDIX IV.

Statement showing the additional production envisaged under developmental plans of industries located on Central Railways and the railway facilities required in that connection.

Industry	Present installed Capacity		Additional Capacity		Year		Remarks of the Railway
	Tons per annum	Wagons per diem	Tons per annum	Wagons per diem	Year	Year	
1	2	3	4	5	6	7	8
(1) CEMENT—							
(a) Shahabad Cement Factory, Shahabad	Cement Coal	2,80,000 19,000	38.5 2.0	1,00,000	16.5 4.60	1955-56	The Railway do not anticipate any difficulty in moving the additional traffic.
			Bengal Coalfields		Bengal Coalfields		
			Singareni Coalfields		Singareni Coalfield		
			Nowrangabad Coalfields		Nowrangabad Coalfields		
	Gypsum	1,000	0.5 0.25	47,500	1.50 0.70		
			Trichinopoly		Trichinopoly		
(2) PAPER MILLS—							
(a) Sirpur Paper Mills (Sirpur Kaghaznagar).		5,000	1	10,000	2	1953-54	The increased out-put is negligible and can be handled within the existing capacity. It is therefore not necessary to plan any additional works for dealing with the increased traffic besides those which are already in progress or have been planned.
(b) Nepa Paper Mills, Chandani (between Khandwa and Bhussawal).	NEW	..	..	30,000	4	..	
(c) Western India Paper and Board Mill, Bombay	..	1,800	..	3,000	1 1/2	..	
			1951-52				

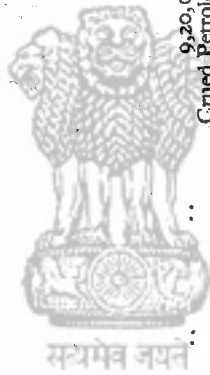
(d) Padumjee and Co., NEW
Poona.

(3) GLASS—

(a) Pilkington Safety Glass Co., Bombay.	NEW	..	..	0.5 million Sq. ft.	..	1952-54	Ditto
(b) Laxminarain Co., Bombay.	NEW	..	..	48,000 dzs. Thermos Flasks Raw Materials	..	..	Ditto
(c) Hindustani Pilkington Glass Works, Asansol.	NEW	..	..	Glass to 10,500 Bombay Sand from Shankarghat	1/4	1953-54	Ditto

(4) PETROLEUM REFINERY—

(a) Standard Vacuum Oil Co. (Trombay).	NEW	9,20,000 Crude Petroleum	90	1955-56 1955	The necessary Railway facilities are already being provided for those refineries. Kurla Yard is also being expanded for dealing with the traffic from these refineries. The net increase in P.O.L. traffic on the Central Railway can be handled within the existing capacity and no work in addition to those mentioned above are required for handling this traffic.
(b) Burnah Shell Refineries (Trombay).	NEW	15,00,000 Crude Petroleum	



APPENDIX IV—contd.

Industry	Present Installed Capacity		Additional Capacity		Year		Remarks of the Railway
	Tons per annum.	Wagons per diem.	Tons per annum	Wagons per diem	Year	Year	
1	2	3	4	5	6	7	8
Rs.							
(5) STORAGE BATTERIES— (a) Standard Batteries NEW* Ltd. (Bombay).	720 tons Refined lead 6,000 Nos. Dry Charged Batteries. 1952-53 2,400 Nos. Dron Clad Batteries. 1952-53 7.5 million No. Micropo porous rubber separators. 2,400 Nos. Heavy duty Batteries.			The increased output is negligible and can be handled within the present capacity. It is therefore not necessary to plan any additional works for dealing with the increased traffic besides those which are already in progress or have been planned.
(6) ELECTRIC TRANSFORMERS— (a) Murray and Co. NEW* (Bombay).	48,000 Nos. KVA Trans- formers. 200 miles of power cables. 1952-53 1,500 tons A.C. & S.R. Conduc- tors.			Ditto
(7) ELECTRIC CABLE & WIRES— M/S Kamni Metal & Alloy Ltd. (Bombay) NEW*				Ditto
(8) VEGETABLE OIL (Solvent Extraction Plant)— (a) M/s. Sundatta Cotton Seed Utilisation Ltd., Bombay. NEW* (b) Ravalgaon Sugar Farm. NEW* (c) New Laxmi Oil and Chemical Works, Bombay. NEW* (d) M/s. Deccan Fertilizers Ltd., Bombay. NEW* (e) M/s. Tata Oils Mills Co., Bombay. NEW*	10,950 7,300 7,300 7,300 10,950	6	1952-53	Ditto

(f) M/s. Walchand Industries Ltd., Bombay.	NEW*	..	..	..	9,125	2	1952-53	Ditto
(g) M/s. Swastik Oil Mills Ltd., Bombay.	NEW*	..	..	..	7,300			
(h) M/s. Hyderabad Chemical and Fertilizers Ltd., Hyderabad.	NEW*	..	..	..	14,600	2	1952-53	Ditto
(i) M/s. Aryan Industries, Secunderabad.	NEW	..	..	..	7,300	1	1952-53	Ditto
(j) M/s. Shivanand Oil Mills, Gulbarga.	NEW	..	..	..	7,300	1	1952-53	Ditto
(9) DIESEL ENGINES— M/s. Mackinnin Mackenzie Co. Ltd., Bombay.	NEW*	..	..	..	15 Nos. H.P. Camphal slow speed horizontal crude oil engines.	1/2 (Inward and Outward)	..	Ditto
(10) RAYON— (a) Sirsilk Ltd., Sirpur Kaghaznagar.	NEW	..	..	..	730	..	1955-56	Ditto
(b) National Rayon Corporation, Kalyan.	..	5.6 million lbs.	..	1951-52	2.0 million lbs.	5	1953-54	Ditto
(11) AUTOMOBILES— Premier Automobiles, Bombay.*	..	12,000 Nos. cars.	32 cars	1951-52	Expansion of manufacture of parts and components.	..	1953-54	Ditto

APPENDIX IV—concl'd.

Industry	Present Installed Capacity			Additional Capacity			Year	Remarks of the Railway
	Tons per annum	Wagons per diem	Year	Tons per annum	Wagons per diem	Year		
I	2	3	4	5	6	7	8	
(12) WOOLLEN MANUFACTURES— (a) Indo-Australian Cor- NEW* poration, Bombay. (b) M/s. Dhurva Woollen NEW* Mills Ltd., Bombay.	..	..	..	3 million lbs.	2/1	1952-53	The increased output is negligible and can be handled within the present capacity. It is therefore not necessary to plan any additional works for dealing with the increased traffic besides those which are already in progress or have been planned.	
(13) CERAMICS (POTTERY)— M/s. Central Potteries Ltd., Nagpur.	1,20,000 doz., pairs of cups & Saucers.	..	1952-53	14,60,000 cups and Saucers. Raw Materials.	50 p.a.	1953-54	Ditto.	

*Note.—The increase output of all the above industries combined in the Bombay area does not exceed a total of 20—25 wagons per day and can be handled within the existing capacity without difficulty. It is therefore, not necessary to plan any additional works or dealing with the increased traffic besides those works which are already in progress or have been planned.

APPENDIX V
Statement showing the additional production envisaged under developmental plans of industries located on Central Railway and railway facilities required in that connection.

Industry	Presented Installed Capacity		Additional Capacity.		Remarks of the Railway		
	Tons per annum	Wagons per diem	Year	Tons per annum	Wagons per diem	Year	
I. Cement							
(a) Dalmia's Orissa Cement Co. Rajgangapur.	..	..	1951-52	9,000 50,000	2 8	2nd year 5th year	The requirements of this factory are being met in full at present. No reference has been received from the factory for additional siding facilities. In connection with this project, as also items 2(a) & (b) the doubling of the Pathardih-Pradhankanta link and additional lines in the Sindri Marshalling Yard may be required. The details are being worked out after varification with the firms concerned. The additional siding facilities for this cement factory have already been taken up under private siding terms.
Coal ex Bihar	..	..	Do.	30,000 1,80,000	5 30	2nd year 5th year	
Cement to Bihar, Orissa and Calcutta.	1,50,000	25	..	..	..	..
(b) A.C.'s factory at Sindri by using Calcium Carbonate sludge from Sindri Fertilizers Ltd.	NEW	..	..	..	..	..
Coal ex-Bengal	..	..	..	29,000	5	1955	
Gypsum ex-Jamser/Badwasi.	..	..	..	29,000 4,500	5 1	1957 1955	
Cement to Calcutta, Bihar Bengal and Assam	..	..	..	4,500 1,00,000 1,00,000	1 16½ 16½	1957 1955 1957	

1	2	3	4	5	6	7	8
(c) A.C.C.'s factory at Jhinkpani (Chaibassa) by using granulated slag from Tatanagar.							
Coal ex-Bengal/Bihar	..	..	1952	16,000	3	1956	No additional facilities would be required besides those already provided for under the expansion programme of steel works <i>vide</i> item 20(a) to (c). It has been arranged that granulated slag from Tatanagar to Jhinkpani (Chaibassa) will be arranged in ordinary open wagons instead of Hoppers as originally desired by this factory. This factory has also agreed to run a 2nd Pilot from Jhinkpani to their works connecting the train supplying these empties. No difficulty is however, expected in meeting their additional requirements of wagon for cement from Jhinkpani.
Slag ex-Tata	..	..	Do.	1,00,000	40	Do.	
Gypsum ex-Jamiser & Badwasi	..	..	Do.	3,000	1	Do.	
Cement to Bengal Bihar & Assam.	2,00,000	13	Do.	1,00,000	16½	Do.	
2. Fertilizers							
(a) Sindri Fertilizer Factory Sindri. (New Coke Oven plant)							
	..	..	..	2,19,000	..	1954	(a) & (b) In connection with these projects as also item (1)(b), doubling of the Pathardih-Pradhankanta link and additional lines in the Sindri M. Yard may be required. The details are being worked out after verification with firms the concerned. The additional siding facilities for item 2 (a) have already been taken up under private siding terms.
(b) Bihar Govt. Super Phosphate factory at Sindri							
	NEW	..	..	16,500	..	Do.	

(c) Sindri Fertilizers Factory, Sindri (Ammonium Sulphate)	3,50,000	..	1952	1,36,000 (Madras) (Ammonium Sulphate) 41,975 (Urea)	25	1955	(c) So far as additional production of Urea is concerned a technical committee is still studying this problem. As regards Ammonium Sulphate please see remarks under (a) & (b) on page 160.
(d) Phosphatic Co., Calcutta.	NEW	..	..	8,250	..	1954	The increased out put is negligible and can be handled within the existing capacity.
3. Paper							
(a) Titaghur Paper Mill Ltd. Charbatia	NEW	..	..	Bamboos to Titaghur & Kankinarah 36,500 Papers to Orissa M.P. & Madras 4,380 From Bihar— Grass 18,250 From Calcutta— Chemicals 10,950 From Talcher— Coal 14,600	10 1 5 14 2	..	This factory has its own jungles near by from which not only this particular mill will draw its supplies but this siding will also supply 10 wagons bamboos daily to their mills at Titaghur and Kankinarah. An application for a private siding for this factory is under consideration. No difficulty is apprehended for meeting with the requirements for wagons both inward and outward.
(b) Orient Paper Mills, Sambalpur.	31,500	6	1952	18,500	..	..	This factory is actually situated at Brajrajgar and is served by a siding taking off the Jharsuguda-Bilaspur main line. Their daily average loading of about 6 wagons is being dealt with without difficulty. They have however, not yet advised the Railway regarding its expansion programme, nor has the same been licensed.

1	2	3	4	5	6	7	8
4. Glass							
(a) Sodepur Glass Works, Bhurkunda. Sheet Glass Coal-Coke Other raw materials	15,000 .. ..	.. 3 5	1952 .. 1952	Bottles 6,000	6 3 5	1954	No additional facilities are required. The traffic can be handled within the existing capacity.
(b) Hindustan Pilkington Glass Works Kalipahari, Asansol							
Sheet Glass			See also item 3 (c) under C. Railway to Bombay.		10,500	..	
(c) International Export, NEW Calcutta.		..	..	Thermos	10,000 doz.	..	
(d) Glass & Miniature Bulb's Industries, NEW Calcutta.		..	..	Do.;	..	..	Do.
5. Aluminium							
(a) Aluminium Corporation Jayakanagar, Asansol. Rolled Products Ingots	5,500 1,500	.. ..	1951 ..		2,500 500	1954 ..	Do. Do.
(b) Indian Aluminium Co., Belur. Rolled Products. Ingots Coke	3,000 .. ..	.. .. ..	.. .. ..		3,000	10 p.m. 10 p.m. 8 p.m.	Do. Do. Do.

1	2	3	4	5	6	7	8
8. Petroleum Refinery							
Caltex Refinery Co., Vizagapatnam.							
Crude Petroleum	..	15	1952	5,00,000	10	1956	The facilities in the port area have been sanctioned. The total movement is expected to be 15 wags. daily to E. Rly. and 10 wags. daily to S. Rly. The additional traffic can be handled within the present capacity. No additional facilities will be required.
9. Storages Batteries							
Associated Makers Calcutta.	Battery (Eastern), NEW	..	..	..	..	..	..
Metallic Lead	..	..	..	1,000	..	..	The increased output is negligible and can be handled within the existing capacity. No Additional facilities are required.
10. Electric Lamps							
B/K Shaw Mantal Works, Calcutta.	NEW	..	..	36,00,000 Nos.	..	..	Do.
11. Electric Motors							
(a) J. Stone & Co., Calcutta.	NEW	..	..	..	..	..	Do.
Train Lighting dynamo	..	..	..	500 sets 1,000	..	..	Do.



(b) Calcutta Elect. Manufacturing Co., Calcutta. NEW Electric Motors	..	12,000 Nos	..	Do.
(12) Electric Transformers General Electric Co., Calcutta. NEW	..	15,000 KVA	..	Do.
(13) Electric Cables and Wires:				
(a) Indian Cable Co., Gulumuri, Jeshedpur	..	17 lakhs yds.	1954	The increased output is negligible and can be handled within the existing capacity. No additional facilities are required.
Rubber Cables	..	92 tons	..	
Wires/strips	..	368 kh.yds	..	
	..	468 tons	..	
Copper :				
Aluminium rods	..	6,720 tons	..	Do.
Enamelled copper wire	..	444 "	..	Do.
Power Cables.	..	384 miles	..	Do.
(b) National Insulated Cables, Calcutta.				
Winding wire	..	200	..	Do.
Rubber cables	..	100 lakhs yds.	..	Do.
(c) Drycore Cable Factory Rupnarainpur, NEW Telephone cables.	..	469 miles	..	Do.
(d) Kalpurga Ltd. Dhakineswar. NEW Conductors.	..	8,700	1956	Do.
(14) Electric Switches & Distribution Board Calcutta Electrical Manufacturing Co., Calcutta 30,000 Nos.	..	12,000 Nos.	1953	Do.
	..	18,000 Nos.	1954	
	..		1955	

I 2 3 4 5 6 7 8

(15) *Metallurgical
Silver Refinery*

Alipur Mint, Calcutta.

NEW	Rs. 39 lakhs worth of silver from quar- ternary coins.	..	1953-54	Do
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(16) *Vanaspati*

Snowwhite Foods Pro-
ducts, Calcutta.

NEW	75,00	..	1956	Do.
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(17) *Ferro Manganese.*

Ferro Manganese plant,
Hirakund. (In collabora-
tion with an Italian
firm).

NEW	..	..	..	..	1956	Do.
	..	..	Coal from Korba	138,000	21	
	..	..	Limestone from Bir- mirapur	165,000	25	
	..	..	Coke Breeze from Tatanagar	80,000	12	
	..	..	Bauxite from Lo- haragada	40,000	6	
	..	..	Ferro Manganese to Tatanagar & Asansol	25,000	4	
	..	..	F. Manganese	65,000	10	
	..	..	Pig iron to Tatanagar	80,000	12	

No additional facilities will be re-
quired for the movement of the
traffic except on the Rajkharwan-
Gua branch. There will be suffi-
cient capacity on this section when
either the Gua-Manharpur link
or the doubling of the Barajamdo
Rajkharwan Section, whichever is
decided upon, is completed.

(18) *Rubber Manufactures*

(a) Bengal Belting Works, NEW
Serampur,

..	..	..	..	120	1956	The increased output is negligible and can be handled within the present capacity. No additional facilities are required.
..

1	2	3	4	5	6	7	8
(d) Government Iron & Steel Project, Rourkela.	NEW	..	..	3,50,000 7,00,000	46 92	1958 Subsequently.	Now that the decision has been taken, to site these works at Rourkela, the requirements are being assessed & will be duly programmed for. Some of the works programmed for items (a), (b) & (c) will however also handy for this item.
(e) M/s. Steel Rolling Mills of Hindustan, Calcutta.	NEW	..	..	1,260	..	..	The increased output is negligible and can be handled within the existing capacity. No additional facilities are required.
(f) Tube Mill of India Tube Co., Ltd., Tatanagar.	NEW	..	..	Steel tubes 40,000 Steel strips 45,000 ex-Tatanagar	6 7	.. ..	A private siding for this factory taking off Tatanagar M-Yard is under consideration. No difficulty is expected to handle this additional traffic.
(g) Kalinga Tube factory, Charbatia.	NEW	..	..	Steel tubes 96,000 Steel strips 96,000	15 15	.. ..	A private siding for this factory is under consideration. No difficulties expected to handle this additional traffic.

APPENDIX VI

Statement showing the additional production envisaged under developmental plans of industries located on Northern Railways and the railway facilities required in that connection.

Industry	Installed capacity		Year	Additional capacity		Year	Remarks of the Railway Ministry
	Tons per annum	Wagons per diem		Tons per annum	Wagons per diem		
1	2	3	4	5	6	7	8
1. Cement							
(a) A.C.C. Bhupendra Surajpur, Pepsu. Cement	3,00,000	..	1950-51	Cement 1,00,000 Coal ex- 38,000 Bengal Gypsum ex- 5,000 Bulsar) Mamser.	16.5 6.20 1.00	1957	As the increased movements envisaged are not appreciable, no difficulty is apprehended in arranging same. No additional works are therefore required to be planned on this account.
(b) U.P. Govt. Cement Factory, Pipri. NEW	2,00,000	..	1953-54		Do.
2. Paper							
(a) Star Paper Mills, Saharanpur, U.P.	4,500	..	1950-51	2,000	..	Do.	Do.
3. Glass							
(a) M/s. Sri Krishan Dass Tika Ram, Aligarh.	..	..	..	28,80,000 doz. gilded glass beads and artificial pearls.	..	Do.	Do.
(b) Hind Lamp Ltd., Shikohabad.	70 million lamps.	..	1951-52	5.0 million shells 450 tons glass tubing & rods.	..	1953-54	Do.

APPENDIX VI—Contd.

I	2	3	4	5	6	7	8
4. Cotton Textiles							
(a) Lord Krishna Mills, Saharanpur. NEW.	15,000 Nos. Spndg. 350 Nos. Loomage	..	1953-54	As the increased movements envisaged are not appreciable, no difficulty is apprehended in arranging same. No additional works are therefore required to be planned on this account.
(b) Bankey Cotton Mills, Hathras. NEW.	360 Waste spindles	..	Do.	Do.
5. Drugs and Pharmaceuticals							
(Penicillin bottling plant) Govt. D.D.T. Factory, Delhi. NEW.	700	..	end of 1954	Do.
6. Bicycles							
(a) Wearwell Cycle Industries, Jullundur (Punjab). NEW.	1,00,000 Nos.	..	1955-56	Do.
(b) Atlas Cycles Industries, Sonapat, Punjab.	1,400	..	1952-53	2,800 2,800	8.6 8.6	2nd year 5th year	Do.
7. Hurricane Lanterns							
M/s. Hindustan Lantern Factory, Saharanpur. NEW.	1,00,000 Nos.	..	1953-54	Do.

APPENDIX VII

Statement showing the additional production envisaged under developmental plans of industries located on Southern Railway and the Railway facilities required in that connection.

Industry	Installed capacity		Year		Additional Capacity		Year of the Railway.		Remarks.
	Tons annum	Wagons per diem	3	4	Tons annum	Wagons per diem	6	7	
I	2	3			5		6	8	
I. Cement									
(a) A.C.C. Kistna (Madras State)	90,000	11.0	1951-52	1955	1,00,000 <i>Coal</i>	40,000 <i>Gypsum</i>	12.5 3.0 3.25 0.80	Singareni coalfields. Bengal Coalfields. Trichinopoly	The question of additional traffic that is anticipated to offer as a result of the projects is not great and it is considered that this can be moved with the existing facilities and also those already asked for, or under consideration.
(b) India Cements, (Tinnevely, District Madras State).	1,15,000	..	Do.	1950-51	50,000	..	..	1954	Do.
2. Paper									
Mysore Paper Mills Bhadravati (Mysore State)	4,000	..	1950-51	1954	8,000	..	..	1954	Do.
3. Glass									
Mysore Glass and Enamel Works (Bangalore Mysore)	NEW	..	..	1953-54	6,00,000 pieces of glass hypodermic Syringes & 12,00,000 ampoules	..	..	1953-54	Do.

APPENDIX VII—Contd.

I	2	3	4	5	6	7	8
4. Aluminium							
(a) Indian Aluminium Co. Alwaye, (Travancore-Cochin)	2,500	..	1950-51	5,000	..	1953-54	The question of additional traffic that is anticipated to offer as a result of the projects is not great and it is considered that this can be met with the existing facilities and also those already asked for, or under consideration.
5. Cotton Textiles.							
(a) Shree Natesbar Spg. & Wvg. Mills (Erode, Madras)	NEW	..	1950-51	Nos. 688 spindgs.	..	Do.	Do.
(b) Shree Siva Nand Mills (Coimbatore (Madras State).	NEW	..	1950-51	8,960 "	..	Do.	Do.
(c) Shree Ramlinga Mills (Tinnevely Madras State)	NEW	..	Do.	12,000 "	..	Do.	Do.
(d) Shree Veradaraja Textiles, (Coimbatore, Madras State)	NEW	..	Do.	6,000 "	..	Do.	Do.
(e) Shri Padma Silk Mills (Kathivedu, Madras State)	NEW	..	Do.	10,000 "	..	Do.	Do.
(f) Shri Baharati Cotton Mills Rajapalayam, (Madras State)	NEW	..	..	3,000 "	..	Do.	Do.
(g) Madras Co-operative Spg. Mills Guntakal (Madras State)	NEW	..	..	11,000 "	..	Do.	Do.

(h) Devangeri Cotton Mills Ltd. (Mysore)	..	..	300 (loom) Spnd.	..	Do.	Do.
(i) Rajalakshmi Mills Ltd. (Coimbatore, Madras State)	NEW	..	24,000 spingleage	..	Do.	Do.
(j) M/s. Shree Padma Mill Ltd. (Coimbatore, Madras State)	NEW	..	1,296 "	..	Do.	Do.
(k) Shri Vishalakshmi Mills, Madurai, (Madras State)	NEW	..	10,000 "	..	Do.	Do.
(l) M/s. R. S. Industrial Corporation Ltd. (Madras)	NEW	..	12,000 "	..	Do.	Do.
(m) M/s. Thiagesar Dharma Vanikam (Madurai, Madras State)	NEW	..	10,000 "	..	Do.	Do.
(n) Gitanjali Mill Ltd. (Rajapalayam (Madras State)	NEW	..	10,000 "	..	Do.	Do.
(o) Iothi Mills, Peelamedu (Coimbatore, Madras State)	NEW	..	13,000 "	..	Do.	Do.
(p) Trimurti Mills Ltd. (Madras State)	NEW	..	6,784 "	..	Do.	Do.
6. Electric Motors						
M/s. Kiloskar Electric Co. Ltd. Bangalore, (Mysore State)	50 H.P.	..	1950-51 100 (H.P.)	..	1952-53	Do.

APPENDIX VII—Contd.

1	2	3	4	5	6	7	8
<i>7. Electric Transformers</i>							
(a) M/s. Industrial Engineering Corporation Palom (Travancore-Cochin)	NEW	..	..	10,000 KVA	..	1952-53	The question of additional traffic that is anticipated to offer as a result of the projects is not great and it is considered that this can be moved with the existing facilities and also those already asked for, or under consideration.
(b) M/s. Kirloskar Elect. Co. Ltd. Mallaswaram, (Bangalore)	NEW	..	..	50,000 "	..	By 1954	Do.
(c) Radio Electricals Ltd. Madras.	NEW	..	..	1,00,000 "	..	1955-56	Do.
(d) Govt. Electric Factory Bangalore (Mysore State).	50,000 KVA	..	1950-51	80,000 "	..	By 1953	Do.
<i>8. Electric Cables and Wires</i>							
Aluminium Industries, Kundara (Travancore-Cochin)	3,000 ACSR NEW	..	Do.	6,000 (ACSR) conductors 4,800 Aluminium rods.	..	1953-54	Do.
<i>9. Vanaspathi</i>							
(a) M/s. Madras Vanaspathi Ltd. Madras.	NEW	..	..	6,000	..	1953-54	Do.
(b) The Vegetable Lrd. (Chittoor, Madras States)	NEW	..	..	3,000	..	Do.	Do.

16 M. of Transport.	(c) M/s. Sudarshan Oil Mills, Ltd. Madras.	NEW	..	..	6,000	..	Do.	Do.
	10. Rubber Manufacturers							
	Nauco Rubber and plastic Ltd. (Coimbatore, Madras).	NEW	..	..	15,000 doz. tennis Balls.	..	Do.	Do.
	11. Soap							
	(a) Best and Co Ltd. Madras.	NEW	..	..	284	..	end of 1952	Do.
	(b) East Asiatic Ltd. Madras.	NEW	..	..	1,500	..	Do.	Do.
	12. Heavy Chemicals							
	Sulphuric Acids.							
	Shri Rama Chemicals, Madras.	NEW	..	..	12,775	..	1952-53	Do.
	Caustic Soda.							
	Heavy Chemicals Ltd. Madras.	NEW	..	..	1,500	..	Do.	Do.
	13. Sugar							
	(a) M/s. Decan Sugar Co. Ltd. Madras.	NEW	..	..	1,82,500	..	Do.	Do.
	(b) M/s. Thiruvananthapuram Sugar Mills, Ltd. Madras.	..	..	..	1,46,000	..	Do.	Do.
	(c) M/s. Kulitlali, Sugar Factory, Madras State	NEW	..	..	2,92,000	..	..	Do.

APPENDIX VII—Concl'd.

I	2	3	4	5	6	7	8
(d) M/s. Kirlampudi Sugar Mills, Ltd. Pithampuram (Madras State)	NEW	..	..	73,000	..	1952-53	Do.
14. Vegetable Oil (Solvent Extraction Plant)							
M/s. Bhoomrati & Co. Madras.	NEW	..	..	9,125	..	Do.	Do.
15. Machines and Tools.							
Government Machinery and Tools Factory Jelali, Mysore.	NEW	..	..	1,600	..	1955-56	Do.

APPENDIX VIII.

Statement showing the additional production envisaged under developmental, plans of certain industries located on North-Eastern Railway and the railway facilities required in that connection.

Industry	Installed capacity		Additional capacity		Year	Remarks of the Railways
	Tons per annum	Wagons per day	Tons annum	Wagons per day		
1	2	3	5	6	7	8
1. Cotton Textiles.						
Mayabganj Spinning Wvg. Mills, Mayabganj.	NEW	..	10,000 Nos. spindleage	..	1953-54	This does not indicate any additional transport requirements.



APPENDIX IX

Statement showing the additional production envisaged under developmental plans of industries located on Western Railway facilities required in that connection.

Industry	Installed capacity		Year	Additional capacity		Year	Remarks of the Railway.	
	Tons per annum	Wagons per day.		Tons per annum	Wagons per day		7	8
1	2	3	4	5	6	7		
I. Cement.								
(a) Digvijay Cement Factory (Port-Seeka) Saurashtra.	11,500	..	1950-51	2,18,500	..	1953-54		
(b) Dahmia Cement Factory, Swainmadopur (Rajasthan)	NEW	..	..	1,65,000	..	"		
(c) Bagalkot Cement Co. (Bombay)	NEW	..	"	1,00,000	..	"		
2. Fertilisers, (Bone Products)								
Raj Traders, Jaipur.	NEW	..	"	6,000	..	End of 1952		
3. Glass.								
Alenbic Glass Industries Baroda Bombay.	NEW	..	1950-51	3,600	..	1953-54		
4. Varnaspati								
M/s. Dilawar Ltd. Junagarh. (Saurashtra).	NEW	..	..	7,500	..	End of 1952		

1	2	3	4	5	6	7	8
5. Diesel Engines							
M/s. Nandlal Bhandari & NEW Sons Ltd. (Indore)	..	..	..	2,400	..	Do.	
6. Woollen Manufacturers.							
M/s. Shree Digvijay wool- NEW len Mills, Ltd. Jam- nagar (Saurashtra)	..	..	..	1.5 million lbs.	..	Do.	
7. Heavy Chemicals Soda, Ash.							
(a) M/s. Dharnagadhra Chemical Co. Dhar- gadhra (Saurashtra)	M 21,900K	6	1950-51	Lime stone 32,850 Coal/Coke : 30,000 Amm. Sulph. 10,000 Soda „ 4,000 Misc. 100 oil Furleta	9 12 14 8	1954	
(b) M/s. Tata Chemicals Ltd. Mithapur, (Sau- rashtra)	29,200	8	1950-51	54,750	15	1953-54	
8. Drugs and Pharmaceuticals. Penicillin bottling plant Sarabhi Chemicals (Baro- da, Bombay)	NEW	..	..	3.0 million (Maga units)	..	..
9. Electric Power Generation							
Ahmedabad Electric Sup- ply Corporation (Ah- medabad, Bombay)	97,000 K.W.	..	1950-51	45,500 K.W.	..	1953-54	

APPENDIX X

Statement showing the position with regard to suggestions (made by State Governments), for the construction of new railway lines.

State	Name of Project	Survey, if sanctioned, with capital cost of net return	Ministry of Railways' remarks.
1. Orissa	(a) Rourkela-Talcher. (BG) 156 miles.	Preliminary Engg. & Traffic-1947-48 Return (..) 1.28%; Cap. Rs. 535 lakhs if item (b) was also constructed.	In their 30th meeting held on 7-3-52 the Central Board of Transport decided that construction of these projects should be postponed as a decision on the location of new pig-iron plant was relevant and expected to be taken shortly. Now that it has been finally decided to locate this new steel plant at Rourkela (Orissa), construction of item (b) is more likely to be approved. A fresh survey for the line between Sambalpur and Titlagarh is however being undertaken.
	(b) Sambalpur-Titlagarh. (BG) 117 miles.	Sambalpur-Kantabniju Traffic & Engg. Surveys 1947-48. Return 4.89, %. Cap. Rs. 447 lakhs.	
	(c) Lalniggarh Rd.-Jaypore via Ampani. (BG) 161 miles.	Preliminary Engg. & Traffic surveys., 1930-31. Return 4.5% Capital Rs. 152 Lakhs.	
	(d) Jagdalpur-Kottavalassa— (BG) 193 miles.	Reconnaissance survey, 1914-15. Return 2.44% Cap. Rs. 322 lakhs.	In view of the restricted resources available for construction of new lines it has not been possible to include this project in the Five Year Plan.
	(e) Rayagadha-Nourangpur. (BG) 97 miles.	Preliminary Engg. & Traffic surveys, 1946-47. Return (—) 0.22% cap. Rs. 656 lakhs.	The reconnaissance was for a line from Dhamtari to Bastar & Salur and via Jeypore to Kottavalassa. The area was considered to be served by the project for broad gauge line from Rayagadha or alternatively from Titlagarh to Sasahandi. This project also forms a part of the through route from Nagpur to Vizagapatam—vide item (c) below.
			This project together with item (d) above form a part of a through route project from Nagpur to Vizagapatam. The return on this through project by the four alternative routes surveyed was estimated to be less than 1% and as such the same was not progressed.

1	2	3	4
2. Assam	(a) A railway line in Garo Hills coalfields.	Preliminary Engg. survey-June 1949.	The Assam Govt. have emphasised the importance of construction of a railway line from Durangpur in the Garo hills to a reasonably stable point on the bank of the Brahmaputra. even though a preliminary engineering survey of this area was complete in 1950, traffic survey was deferred since it would have had to take into account the quality & quantity of coal that may be available in the area. This could however be determined only after prospecting tests had been completed by the Ministry of Natural Resources & Scientific Research. Provision has since been made in the 1954-55. Works programme for the traffic survey for a rail connection to Garo Hills, but for making a correct assessment of the traffic prospects, proving of the quality and quantity of coal is necessary. The Planning Commission have asked the Assam Govt. to intimate what proposals they have for Garo Hills Coal, before an expenditure of Rs. 10 lakhs is sanctioned for the prospecting of coalfields.
	(i) Darangiri-Amjangaon-Pandu. 100 miles.	Cap. Cost Rs. 530 lakhs.	
	(ii) Darangiri-Dudh-mai-Goalpara-Jogighopa-Bangaigaon. 90 miles.	Cap. Cost Rs. 600 lakhs.	
	(iii) Darangiri to a reasonably stable point on the bank of river Brahmaputra. 58 miles.	Capital cost Rs. 390 lakhs.	
	(b) Additional works to augment capacity of Assam Rail Link.		The capacity of Siliguri Alipur Duar Jn. is being increased from 165 to 350 wagons a day. These works are expected to be completed by March 1956. The above increase in capacities are to meet all the requirements as far as they can be foreseen at present.



On the section between Alipur Duar Jn. and Fakiragram, there is no restriction to the movement of traffic on account of the sectional capacity. There is thus no justification for

1	2	3	4
			doubling the line from Fakiragram to Siliguri as reqd. by the State Govt. as their overall requirements of 200 wgs. a day can be met without this work as stated above.
2. Assam (Contd.)	(c) Bridge over Brahmaputra at Pandu.	..	This project will cost not less than Rs. 5 crores and as the present ferry at Amingaonghat is meeting the traffic requirements satisfactorily, the construction of a railway bridge though desirable is not essential. For the present we have to concentrate our resources on the Ganga Bridge at Mokameh, the construction of which is already in hand and is expected to be completed by the end of 1958.
3. West Bengal.	(a) Additional works; to augment capacity of Assam Rail link;	..	See remarks under item (b) of Assam.
	(b) Eklakhi - Hill. (MG) 75 miles.	Engg. & Traffic surveys 1950 Return 1.55% Cap. Rs. 246 lakhs.	Pending Farrakks Barrage Scheme.
	(c) Eklakhi-Chillampur Raiganj (MG) 34 miles.	Engg. & Traffic surveys 1950. Cap. Rs. 89 lakhs	Pending Farakgkha Barra Scheme.
	(d) Malde-Khajuria-Ghat-Ferraka-Tildanga (MG/BG) 25 miles.	Preliminary Engg. & traffic surveys sanctioned in Oct. 1953 by N.E. Railway for portion Maldah - Khajuria Ghat and by E. Rly. from the site of right hand abutment of Farrakha Barrage to Tildanga.	Reports awaited.
4. Uttar Pradesh.	(a) Rail connection to Etah (MG/BG).	Reconnaissance survey sanctioned in August, 1953.	The prospects of a B.G. connection from Jalesar to Etah & a M. G. connection from Kasganj to Etah are under examination and the report is awaited.
	(b) Extension of the Chunar Roberts-ganj line to the Rihand Dam Site (B.G.).	..	Extension of the line upto the left bank of the river Sone has been sanctioned on assisted siding terms and the work is in hand.

1	2	3	4
5. Rajasthan.	(a) Udaipur-Himatnagar (MG) 140 miles.	Traffic and Engg. Surveys-1947-48 and, 1948-49. Return 1.87, % Cap. Rs. 384 lakhs.	It was not progressed as it was not financially justified.
	(b) Chittergarh-Kotah (MG) 103 miles.	Preliminary Engg. & Traffic surveys 1945-46 and 1946-47. Cap. Rs. 179 lakhs.	Considered by the Central Board of Transport in their 32nd meeting held on 24-1-53 & left decision to the Minister for Rlys. to decide which lines should be taken up for construction. This line has however not been sanctioned in the 1st Five-Year Plan period.
	(c) Fatehpur-Churu (MG) 24 miles.	Preliminary Engg. & Traffic surveys carried out.	Reports are under examination.
	(d) Raniwara-Bhiladi (MG) 46 miles.	Traffic survey sanctioned in Aug. 1953.	In their 30th meeting held on 7-3-52 the Central Board of Transport decided to take its construction in hand in 1954-55 and 1955-56 programmes subject to the condition that the timing of this should depend directly upon the growth of traffic to and from Kandla Port. Final traffic survey report is however under examination.
	(e) Loharu-Pilani (MG)	..	The minerals in this area have not yet been developed properly.
6. Tripura .	A rail connection through India.	No.	No such proposal has ever been surveyed.
7. Himachal Pradesh.	Jagadhri-Rajban 38 miles.	Traffic survey via Paonta 1947-48. Return direct 2.39 % Return indirect 1.29 % Return Total 3.68%	Old survey reports for the line upto Jumna Valley from Jagadhri to the Girni River are being brought up-to-date in view of developments in region and the scheme sponsored by this State Govt. to erect a cement works at Rajban in Sirmur Dist. and the same will be examined on receipt.
8. Kutch .	Conversion of Gandhi - Dham-Adipur and Bhuj (MG) into M.G.	..	This work has been sanctioned and the conversion is in hand.

APPENDIX XI

Details of calculations relating to the requirement of railway wagons by the end of the First Five Year Plan.

Statement I showing the additional number of wagons required to carry traffic for free routes so that not more than an equivalent of 2 days daily average loading is on hand; (this assessment is on the basis of outstanding registrations for a period of 12 months from 1st May 1953 to 30th April 1954).

	Broad Gauge		Metre Gauge	
		Northern System	Southern system	Total for M.G.
(i) Maximum outstanding registrations at the end of (month) during the 12 months from May 1953 to April 1954.	68,383 (Jan '54)	95,673 (Jan '54)	20,963 (April '54)	..
(ii) Out of item (i), outstanding registration for destinations reached <i>via</i> limited routes and therefore under allotment at the end of the above month.	32,887	20,460	8,430	..
(iii) Maximum outstanding registrations excluding those for limited routes and hence under allotment at the end of the above month <i>i.e.</i> Item (i)—(ii)	35,496	75,213	12,557	..
(iv) Minimum outstanding registrations at the end of (Month) during the 12 months from May '53 to April '54.	12,605 (Oct '53)	25,983 (Sep. '53)	1,254 (Oct '53)	..
(v) Interval in days between which the outstanding registrations were the maximum at the end of the month mentioned under item (i) and that on which they were the minimum at the end of the month mentioned in item (iv).	90	120	180	..
(vi) Average daily loading of originating goods traffic only <i>i.e.</i> exclusive of repacking and break of gauge transshipment traffic during the 12 months from May '53 to April '54.	8,098	3,927	2,035	..
(vii) Daily average loading of originating traffic for important limited routes.	1,456	924	100	..
(viii) Average daily loading for free routes <i>i.e.</i> Item (vi)—(vii).	6,642	3,003	1,935	..
(ix) Two days average daily loading for free routes <i>i.e.</i> Item (viii) x 2.	13,284	6,006	3,870	..

	Broad Gauge		Metre Gauge	
		Northern System	Southern System	Total for M.G.
(x) Additional number of wagons required to be loaded daily Item (iii)— (ix) ÷ (v).	$27,212 \div 90$ = 247	$69,207 \div 120$ = 577	$8,687 \div 180$ = 48	..
(xi) Turn-round in days.	X11	X8	X8	..
(xii) Additional number of wagons required to be procured item (x) multiplied by item (xi).	2,717 or 2,720 in round figures.	4,816	384	5,000

NOTES : (1) Maximum outstanding registrations (excluding those for limited routes) at the end of any month during the above period minus two days' average daily loading of originating goods traffic only (i.e. exclusive of re-packing and break of gauge transshipment traffic) divided by the interval in days during which the outstanding registrations rose from the minimum to the maximum are equals to the additional number of wagons required to be loaded daily. The resultant figures, multiplied by the average turn-round figure of 11 days in the case of B G and 8 in the case of MG, would give the additional number of wagons required to be procured.

(2) The maxima and minima outstanding registration figures as shown under items (i) and (iv) have been taken for the 12 months ending April '54 both for B G and M G (Northern and Southern systems) due to the fact that the maximum on the Southern M G system had been reached only in April '54 where as that on the B G and Northern M G systems had been reached in January '54 thereby enabling comparisons being made for corresponding periods in all the cases. Incidentally it may be pointed out that the maxima reached during the above months of the year from May '53 to April '54 have not been exceeded either during the latest 3 months from May to July '54 or even during the 4 months from January '53 to April '53. The same is also applicable to minima figures.

(3) Deduction on account of outstanding registration for destinations reached *via* limited routes as shown under Item (ii) is being made because provision for the increased capacities *via* such routes, which is expected to materialize by the end of the First Plan period, has been separately made in Statements III & IV. These outstanding registrations are however inclusive of these sections/destination which are restricted by quotas not only on account of their limited capacities but also on account of limited rolling stock available with the Railways. Actually only such of these outstanding registrations as were for routes with limited capacities owing to the inadequate junction (inclusive of break-of-gauge) and sectional capacities should have been excluded. But since a breakdown, however, is not readily available to distinguish such outstanding registrations from those with quota limitations necessitated by lack of wagons and locos, the full deduction that is being made on account of all these outstanding registrations would not appear to be appropriate in the circumstances.

(4) Similarly the maxima outstanding registration figures excluding those for destinations reached *via* limited routes as shown under item (iii) have been reached during the same months *viz.*, Jany. '54 in the case of B G and Northern MG and April '54 for Southern MG systems as in the case of maxima and minima outstanding registrations as shown under item (i).

(5) The figures of average daily loading is shown item (vi) are statistical figure of average daily loading of originating traffic only i.e. exclusive of wagons utilised for repacking and break of gauge transshipment traffic enroute. This has been done because the figures of outstanding registrations taken under items (i) & (iv) do not include those for repacking and break of gauge transshipment traffic enroute. For reasons explained under No. (2) the average daily loading figures as shown under item (vi) have also been taken for the 12 months ending April '54.

(6) Since outstanding registrations have been taken for free routes only *vide* item (iii) the average daily loading has also been taken for free routes only. *vide* item (viii).

(7) Deductions on account of 2 days average daily loading for free routes *viz.* item (ix) is being made because it is considered that outstanding registrations to this extent can be a normal feature or otherwise if all the daily offering has to be cleared currently, some rolling stock may remain idle for long periods.

APPENDIX XI (Contd.)

Statement II Showing the additional number of wagons required to meet increased demands for movement of coal from the Broad Gauge on which coal traffic originates generally a little quantity originates on the N. E. Railway (Meer Gange).

Coalfield	Additional No. of wagons required to be loaded daily	Turn-round	Additional No. of wagons required to be procured	Remarks.
1	2	3	4	5
I. Bengal/Bihar	355	× 11—	= 3905	Originally this assessment should be based on the difference between the average daily loading of 3112 in 1953 and the target of 3500 expected to be achieved by the end of the First Plan period on completion of works in hand on E. Rly. But since the average daily loading during the slack season of 3 months is expected to be boosted up to approximately 3600 per diem by taking advantage of the release of a number of wagons and locos from other goods traffic during such season, the following formula is being adopted to determine the number of additional wagons required so as to achieve a daily average loading of 3500 throughout the year. It may, however, be added that the average daily loading of 3600 during the slack season is about the maximum which will it be possible to accommodate within the available line capacities for the different directions :



(i) Total No. of wagons required to be loaded per annum in the West Bengal/Bihar coalfields at an average of 3500 per day.

(ii) Total No. of wagons expected to be loaded in 3 months of the slack season @ 3600 per day.

(iii) Total No. of wagons required to be loaded during the remaining 275 days (9 months) of the year for a daily average of 3500.—

Items (i)—(ii) viz. = 12,77,500—3,24,000
= 9,53,500

1	2	3	4	5
				<p>(iv) Average daily loading thus required to be done during the 9 months of the brisk season. Item (iii) $\div 275 = 9,53,500 \div 2765 = 3,467$</p> <p>(v) The actual daily average loading during 1953 = 3,112</p> <p>(vi) Excess daily average loading of coal in the West Bengal/Bihar coalfields for which of additional wagons are required. Items (iv) - (v) = $3467 - 3112 = 355$ per day.</p> <p>This assessment has been based on the difference between the present loading target of 295 and 400 expected to be achieved by March '56 on completion of works in hand on Central and Eastern Railways.</p> <p>This assessment has been based on the difference between the existing capacity of 170 and 310 expected to be achieved by 1955-56 on completion of works in hand on Central Railways.</p> <p>Works are in hand on Central Railway and expected to be completed by the end of First Plan period to increase the capacity of this coalfield from 210 to 300.</p> <p>Works are in hand on Eastern Rly. and expected to be completed by 1956 to increase its capacity from 150 to 300 i.e. an increase of 150. But since provision for 100 (out of these 150) for above Moghalsarai is being separately included under Statement IV, provision for the balance 50 only required for Tata Iron and Steel Company's expansion programme is being made here.</p>
2. Central India*	105	X II	1155	
3. Singareni*	140	X II	1540	
4. Pench Valley*	90	X II	990	
5. Karanpura*	50	X II	550	
TOTAL wagons reqd. for Broad Gauge			740	X II = 8140

*So far as these collieries are concerned, any increase in the loading of coal during the slack period cannot be accommodated within the limited capacities of the routes *via* which the coal therefrom has to move. Hence in their cases the daily loading has to be maintained throughout the year at the required daily average targets to be achieved by the end of 1955-56.

NOTE :—The turn-round in this statement has been taken not on the basis of all-India turn-round but has been worked out for the anticipated quantum of coal to be moved in the different main directions and the resultant turn-round, which worked out to 108, was rounded off to 111 days.

APPENDIX XI (Contd.)
Statement III Showing the additional number of wagons required to meet increases in capacities of break of gauge transshipment points
(for general goods other than coal in the case of Broad Gauge and both for general goods & coal in the case of Metre Gauge.)

Transshipment point	Allotment of increase by end of 1st Plan period					Remarks.
	Total increase contemplated to be provided in term of BG	B.G.		M.G.		
		Increased loading for general goods other than coal in terms of BG	3	Increased loading both for general goods and coal in terms of BG	4	
1	2	From	To		5	
1. Manduadih .	60	90	15	40	Although no works for increasing the transshipment facilities at this specific point are in progress and awaiting completion, but with the facilities already available we can even at present deal with 90 broad gauge wagons a day. In fact the capacity of transshipment at this point has already been increased from 60 to 75 by increasing the coal quota by 15 wagons and with the completion of certain other works by the end of the Plan period on Manduadih-Aurnihar section and with the availability of additional rolling stock, the capacity is definitely expected to be increased from a total of 60 to 90. Out of the total increase of 30, only 15 will be for general goods and the balance for coal for the movement of which over BG a separate provision has been made.	
2. Shahganj .		20	20	20	Although new works are neither in progress at this station, nor contemplated, this station already has capacity for transshipment. In fact this point has already been opened for transshipment in April 1954, with capacity of 20 all of which is for general goods.	
3. Barabanki .	22	32	10	10	The capacity of this point has, since April 1954 been increased from 22 to 30 by introducing night transshipment. All this increase is, however, for general goods traffic only.	

1	2	3	4	5	6
4. Sikrigalighat-Maniharighat	45	65	20	20	*By introduction of night transshipment at this point with effect from 11-7-54, the capacity of transshipment has already been increased by 20 Broad Gauge wagons a day for general goods.
5. Rajmahal/Kheriaghata & Karagola Road.	..	20	20	20	Although arrangements have already been made as a temporary measure for moving 8 Broad Gauge wagons a day of stone from Tinpahar via Rajmahal and Maniharighat, with the provision of additional sidings at Rajmahal, Kheriaghata and Karagola Road and the provision of a private agency to undertake the services for such a movement, the capacity is expected to go up to 20 Broad Gauge wagons a day by the end of the First Plan period for the above movement which will then have to be via Kheriaghata and Karagola Road instead of 8 B.G. wagons a day only via Maniharighat as at present.
6. Monghyr-Ghat	..	2	2	2	* By provision of a private agency to undertake wagons to vessel and vessel to wagon handling and for ferrying across the ganga and by provision of dumping space at Monghyrghat by terminating lease of the railway land to the existing plot holder, it is expected to provide by the end of the First Plan period capacity for 2 B.G. wagons a day of coal or cement via this new transshipment point.
7. Digaghat/Hajipur -	..	4	4	4	* For similar arrangement as adopted for item 6 the capacity of transshipment 4 B.G. wagons a day of coal or cement via this route is expected to be created by the end of the First Plan period.
8. Bareilly	26	30	4	4	The capacity of this point has since April 1954 been increased from 26 to 30. Facilities were already available. All this increase is, however, for general goods traffic only.
9. Arkonam	35	60	..	..	As the additional transshipment yard at this point is expected to be ready only in Dec. 1956, no provision is being made here for the increased transshipment capacity as the same will materialise only in the Second Five-Year Plan.

*These improvised arrangements have initially been undertaken in connection with the Kosi Project and are not only likely to continue upto the end of the First Plan period but will also be available for other goods traffic after completion of the Kosi Project.

STATEMENT III—(Contd.)

APPENDIX XI—(contd.)

Allotment of increase by end of
1st Plan period

Transshipment point	B.G.		M.G.		Remarks
	From	To	Increased loading for general goods other than coal in terms of BG	Increased loading both for general goods & coal in terms of B. G.	
10. Katpadi	15	50	35	35	Works are in progress on Southern Rly. and are expected to be ready by June '55 so as to increase the capacity of this transshipment point from 15 to 50. All this however, will be for general goods. The remodelling of the yard is in progress and is expected to be ready in Dec. 1954 so as to increase the capacity of transshipment at this point from 50 to 75. All this however will be for general goods.
11. Bangalore City	50	75	25	25	
12. Palghat	20	25	5	5	Additional transshipment facilities are expected to be ready by March 1956. ; all these, however, will be for general goods. The remodelling work of this yard at a cost of Rs. 1.5 crores has just been sanctioned and the work will be taken in hand in 1954-55. But as only a part of this will be completed by 31-3-56. It is expected that the capacity of transshipment at this point will be increased from 120 to about 150 only i.e. an increase of 30. Out of this, 60% will be for coal, provision for the movement of which over Broad Gauge has been made already in Statement II. Provision for balance 40% i.e. 12 only is being made under Broad Gauge for general goods and for 30 both for general goods and coal under the Metre Gauge.
13. Trichy Goods	25	50	25	25	
14. Guntakal	36	52	16	16	
15. Tadepalli	50	75	25	25	
16. Horigi	25	30	5	5	
17. Renigunta	10	20	10	10	
18. Sabarmati	120	175	12	30	

16 M. of Transport

I	2	3	4	5
19. Viramgam	60	125	..	As no works for increasing the capacity has yet been sanctioned, it is expected that the increased capacity for transhipment at this point will not be available by the end of the First Plan period. Hence no provision is being made here on this account.
20. Agra East Bank	250	300	40	Although no works have yet been sanctioned for increasing the transhipment facility at this specific point, but since the work of train examination which used to take place previously in this yard, has already been transferred to Jumna Bridge to improve the fluidity and on completion of certain works in the Tundla yard by the end of the First Plan period, it will be possible to increase the capacity for transhipment at this point from 250 to 300. Out of the total increase of 50, 80%—40 will be for coal. But this will be mostly <i>via</i> M.G., provision for this 40 been made hereunder M.G. Provision for the balance increase of 10 for general goods has however been made separately in Statement IV.
TOTAL	..	253 BG	326 BG or 652 MG	
Turn-round	..	× 11	× 8	
Additional wagons required to be procured.	..	2783 or 2785 in round figures.	5216 or 5215 in round figures.	

NOTE :—In the case of BG, the assessment made is based on the increase in capacities in terms of BG wagons for general goods only, as those for coal have been provided for in Statement II. In the case of M.G., however, the assessment made is based on increase in capacities in terms of BG wagons both for general goods and coal (as no separate figures of allocations for movement of coal over the MG *via* all the different junctions are available) multiplied by 2.

No reduction against the traffic shown in Statement I has been made in this statement because the figures of outstanding registration indicated in Statement I exclude those in respect of the limited routes.

Statement IV showing the additional number of wagons required to carry traffic in general goods (other than coal) with the expected increase in certain sectional capacities as a result of works already planned or in hand being completed by the end of the first Five Year Plan.

Via	Total increase in capacities contemplated to be provided	Additional No. of wagons required to be loaded daily by end of 1st Plan period	Remarks
(a) BG	<i>From To</i>		
1. Bezwada	300 420	20	Works in hand on Southern Eastern and Central Rlys. and expected to be ready by December '57. But as some of them will be ready by end of March '56 it is expected that the capacities for movement <i>via</i> Bezwada will be increased from 300 to 360. Out of the total increase of 60,40 will be for coal from Singarani coalfield for which provision has been made in Statement II. Provision is, therefore, being made here for the balance 20 only for general goods.
2. Katni	265 350	15	Works in hand on Central and Eastern Rlys. the principal amongst them being an additional loop at Katni Junction and additional 2 lines at Katni South. While the former is expected to be ready by March '56, the latter is expected to be completed by July '55 so that the capacity for movement <i>via</i> Katni will be increased from 265 to 350 by the end of the 1st Plan Period. Out of the total increase of 85, 70 will be for coal from Central India coalfield. Provision is, therefore, being made here for the balance 15 for general goods.
3. Raichur	135 200	30	Works in hand on Central and Southern Rlys. and expected to be completed by March '56. Out of the total increase of 65, coal will absorb 35 and the balance 30 only is being provided here for general goods.
4. Moghalsarai	1500 1800	30	Although some works have already been completed both on Northern and Eastern Rlys., other works are in hand on Northern Rly. (the Eastern

1	2	3	4
5. Agra Bank.	East	250	300
6. Cheoki	.	190	240
7. Ajni	.	290	320
TOTAL . . .		..	..
TURN ROUND . .		..	..
Additional wagons required to be procured			
		140	XII BG1540

Rly. has not yet undertaken any further works). The Northern Railway expect that the capacity *via* Moghalsarai will be increased from 1500 to 1800 before March '55. But since this quota has already been increased to 1650 (the actual movement during March '54 from Eastern to Northern Rly. was 1658), provision should in fact be made only for the balance 150. Since 120 of these will be for coal for which separate provision is made under Bengal/Bihar coalfields *vide* Statement II. Provision here is being made only for the balance 30 for goods. Additional plans being drawn to further step up this to 2000 are, however, expected to materialise only in the Second Plan period.

The present capacity of 250 comprises 173 BG to BG and 77 BG to MG. Out of the total contemplated increase of 50 which will materialise by the end of the First Plan period, 40 will be for coal and as this will be mostly *via* Metre Gauge, provision for which has already been made under item (20) of Statement III. Provision is, therefore, being made here only for the balance 10 for general goods under the Broad Gauge.

Some works already completed and others in hand for provision for crossing stations and improvement to signalling on Cheoki-Jubbulpore section and are expected to be completed by the end of First Plan period. Out of total increase of 50, 30, will be for coal. Provision is therefore being made here only for the balance 20 for general goods.

Works in hand on Central Rly. and are expected to be completed at the end of March '56. Out of the total increase of 30, 15 will be for coal for which provision has already been made in Statement III. Provision is, therefore, being made here only for the balance 15 for general goods.

1	2	3	4
(b) <i>M.G.</i> 8. Assam Rail link	× 165	350	170
TURN ROUND Additional wagons reqd. to be procured	× 8 MG 1360		

Some works already completed and others in hand on North Eastern Railway and expected to be completed by March '56 to increase the capacity of the section Katihar to Siliguri from 225 to 420 and of the section *Siliguri-Alipur Duar (Assam Rail Link)* from 165 to 350. But as the capacity has already been increased from 165 to 180, provision is being made here for the balance increase from 180 to 350 i.e. for an increase of 170 only.

Note.—In the assessment made in this statement the requirements for movement of coal via the important junctions have been excluded as provision therefore has been made in Statement III.



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Statement V showing the additional number of wagons required to carry traffic resulting from anticipated development of some specific plans, industries and new lines (both restored and altogether new ones) which are definitely being progressed and are expected to be completed by the end of the 1st Five Year Plan period.

Description	Total No. of additional wagons required to be procured	Remarks.
1. Expansion of existing steel works.	Broad Gauge Metre Gauge	<p>Some works have already been completed and others are in hand on the Eastern Railway for provision of adequate rail transport capacity to meet the demands for increased production of Indian Iron Steel Co. and Tata Iron & Steel Co. But since certain major works for the expansion schemes of the Indian Iron & Steel Co. have still to be sanctioned and carried out, the same will not be completed by the end of the First Plan period. So far as the Tata Iron and Steel Co. are concerned, the Financial Commissioner (Railways) considers that although the Eastern Railway will be ready to carry the additional traffic by March 1956, the Chairman of these works, in their last Annual General Meeting had stated that since the Central Government have only recently sanctioned a loan of Rs. 10 crores for the expansion of these works, their contemplated increased production will not materialise by the end of the First Plan period. Hence, no provision is being made here for the additional number of wagons required to meet the increased demands of either of these works.</p>
2. Development of ore export traffic.	400	<p>.. Although the sanction for principal works amongst others, viz. a new rail link between Gua-Barabil area and Manoharpur-Raurkela section are under consideration (so as to provide an additional export of one million tons of iron ore from Gua-Barabil branch to K.P. Docks i.e. 3 trains or 150 wagons per diem) but since the same are not expected to be completed by the end of the First Plan period, no provision can be made here for additional requirements of wagons for export of the aforesaid quantity of iron ore to K. P. Docks.</p>

1

2

3

Although the capacity of Raipur-Vizianagram section is expected to be increased by the end of the First Plan period by 2 trains daily to synchronize with the completion of the 4th berth at Vizagapatam so as to increase export of manganese ore from Madhya Pradesh by 100 wagons per diem through Vizagapatam, but since other ancillary works required on Vizianagram-Waltair-Vizagapatam are not expected to be completed by the end of the First Plan period, provision for the entire additional number of wagons required on this account is not being made here. As, however, capacity already exists for despatching 50 more wagons of manganese ore from Madhya Pradesh to Vizagapatam for export, provision for 50×8 turn-round = 400 wagons only is being made here as it is expected that the export to the extent only can materialize by the end of the First Plan period with the expectation of foreign market prices stabilizing themselves by then.

The scheme and the policy for increasing export of iron-ore from Madhya Pradesh to Vizagapatam by 2 million tons per annum has however not yet been finalized; this can, therefore materialise only in the Second Plan period.

- | | | | |
|-----------------------------|---|--------------|---|
| 3. New Steel Plant | - | सत्यमेव जयते | As this plant is not expected to be ready before 1958, no provision is being made here for the additional number of wagons required on this account within the First Plan period. |
| 4. Oil refineries, Trombay. | - | .. | The Standard Vacuum has gone into partial production in Aug. '54 and the Burmah Shell will do likewise in the beginning of next year. Their combined full out-put of 6,57,000 tons per annum—90 wagons per diem is expected to materialise by the end of the First Plan period. While it should be possible to carry the additional traffic which will emanate from the Oil refineries, Trombay during the First Plan period, but since the Northern Railway has not made up final plans for increasing the capacities of transshipment points via which this traffic will have to be handled by that Railway, it will not be possible to handle the entire increasing out-put on this Railway within the First Plan period. Moreover, as this increased production |

1	2	3
		will not be an addition, but most replacement of the existing movements of imported Petrol, Oils, Lubricants, no provision need be made here at this stage for the additional number of wagons required on this account.
5. Kandla Port	400	A number of works are in hand on Northern and Western Railways and are expected to be completed by the end of the First Plan period, after completion of which at least 50 wagons may be expected to be loaded daily involving an additional requirement of $50 \times 8 = 400$ wagons. Although requirements on this account may be more than 50 wagons daily, provision is being made on a conservative estimate for 50 wagons only.
TOTAL of items 1-5	400	400



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Statement V —(contd.)

APPENDIX XI—(contd.)

6. Restoration of dismantled lines.

Dismantled line	Rly.	Miles	Expected to be opened (date), if within 1st plan period	Estimated daily loading	Turn-round	Additional wagons required to be procured	Remarks
(a) B.G.							
(i) Bobbili-Satur	E.	10	1-2-54.	5	5	25	..
(ii) Nagrotra-Jogindernagar . . .	N	35	15-4-54	17 1/2	5	88	
(iii) Shoranur-Nilambur	S	24	15-4-54	12	5	60	Portion of 17 miles Shoranur-Angadipuram, restored on 16-4-53.
(iv) Bhagalpur-Nandar Hill . . .	E	31	25-4-54	15 1/2	5	78	
(v) Unao-Madhogani-Balamau . .	N	45	July '55	22 1/2	5	113	Portion of 17 miles Balamau-Madhogani restored on 1-7-53. The remaining portion opened on 5-9-54 for passenger traffic.
(vi) Utraithia-Sultanpur-Zafarabad . .	N	136	Jan. '56	68	5	340	
TOTAL FOR B.G.:						704	or 705 in round figures.
(b) M. G.							
Usilampatti-Bodinayakanur . . .	S	30	25-7-54	15	4	60	
TOTAL FOR M.G.:						60	

7. Opening of New Lines.

(a) B.G.	New Line	Rly.	Miles	Expected to be opened on (date) if within 1st plan period	Estimated daily loading	Turn-round	Additional wagons required to be procured	Remarks
(i) Branch line to serve Rajnagar and West Jhagrakhand collieries.		E	12	Yes; exact date not known.	..	..	..	Works in progress since 1951-52 & expected to be completed within the First Plan period. Provision for this has already been made in statement II.
(ii) Barwadih-Sarnadih(Bijuri)		E	40	..	..	..	..	Although a portion of the work was completed in 1950-51 at a cost of Rs. 1.5 crores out of the total estimated cost of Rs. 16 crores, work on the remaining portion has been stopped short & it is not known whether the portion already completed can be opened to traffic during the First Plan period as this question is under investigation & no decision has yet been taken regarding this. Hence no provision is being made here on this account.
(iii) Chunar-Robertsganj		N	50	12-7-54	25	5	125	



1	2	3	4	5	6	7	8
(iv) Gua-manoharpur	.	.	E	30	No.	..	..
Although the sanction for construction of this line is being considered, but since this line will not be ready by March '56, no provision is being made here on this account.							
(v) Champa-Korba	.	.	E	24	Nov. '55	91	11
Loading in this case is expected to be approximately 91 wagons of coal daily. Works sanctioned in 1954-55.							
(vi) Pathankot-Madhampur	.	.	N	8	Yes; exact date not known.	4	5
TOTAL FOR B.G.:							1145
(b) M.G.							
(i) Sanganer Town-Todi Rai Singh	.	.	W	66	30-3-54	33	4
(ii) Madhopura-Murliganj	.	.	NE	16	20-7-54	8	4
(iii) Ernakulam-Kottayam	.	.	S	37	End of '55	18 1/2	4
This is a portion of the project Quila-Ernakulam (distance 96 miles).							
(iv) Gandhidham-Kandla	.	.	W	7	Yes; exact date not known.	3 1/2	4
(v) Gop-Kotkola	.	.	W	20	Sept. '55	10	4
TOTAL FOR M.G.:							292 or 290 in round figures.

Statement V —(contd.)

NOTES : (1) Assessment for the additional number of wagons required both for restoration of dismantled lines (item 6) and opening of new lines (item 7) has been made on the basis of 50 miles daily for 100 miles length, excepting in the case of Champa Korba line of 24 miles for which provision has been made for daily loading of approximately 91 wagons coal. The above two tables do not, however, include dismantled or new lines which have already been open to traffic upto January 1954 in the case of B.G. and January 1954 in the case of Northern/Southern M. G. systems, as provision has been separately made on the basis of out standing registrations upto these dates in Statement I.

(2) The turn-round which has been adopted in the case of both item 6 (restoration of dismantled lines) and item 7 (opening of new lines) is 5 instead of the normal figure of 11 in the case of Broad Gauge and 4 instead of the normal figure of 8 in the case of Meter Gauge as the bulk of the traffic originating from these lines is expected to be comparatively on a much shorter lead, at any rate for some years to come. In the case, however, of Champa-Korba line, the turnround has been taken at the normal figure of 11 days as the traffic moving on these lines will be purely coal—vide item (a) (v) under Broad Gauge of item 7. The figures under the heading “estimated daily loading” include inward receipts as well.

SUMMARY OF STATEMENT V

Item	Broad Gauge	Meter Gauge	Total
1—5	400	400	800
6	705	60	765
7	1145	290	1435
GRAND TOTAL.	2250	750	3000

APPENDIX XI—(contd.)

Statement VI showing the additional number of wagons required for general increase in traffic during the last 2 years of the first Plan period.

	Broad Gauge	Metre Gauge
1. Estimated increase per annum	3%	3%
2. % increase to be found from improved operational performance per annum.	1%	1%
3. Net % of general increase of traffic per annum	2%	2%
4. Net % of increase per annum for which provision should be made at present on the assumption that half of the anticipated increase (item 3) will offer for limited routes, the full anticipated increased capacities of which have already been taken into account for the assessment of additional wagons required— <i>vide</i> Statement III and IV.	1%	1%
5. Average number of public traffic wagons in terms of 4-wheelers at the end of January 1954.	1,58,088	69,287
6. Less 1/3rd for coal over the Broad Gauge only for which a separate assessment has already been made in Statement II	52,696	..
7. Balance (Item 5—6)	1,05,392	69,287
8. Additional number of wagons required per annum for general increase in moveable traffic @ 1% of the balance number shown under item (7).	1,054	693
9. Total number of wagons required to be procured for the last 2 years of the first Plan period <i>i.e.</i> (Item 8×2).	2,108 or 2,110 in round	1,386 or 1,385 figures

NOTE.—Out of the general anticipated increase of 3% per annum, 1% is based on expected improvement in operational performance. A further reduction of 50% has been made in the estimates of additional requirements of wagons for general increase in traffic on the assumption that the movement of one half of the increased traffic will be over "limited capacity" routes.

Statement VII showing the additional number of wagons required to meet contingencies not covered by conservative assessments made in Statements I to VI

As the assessment made in Statements I to VI has been based on a most conservative estimate, the *minimum* number of additional wagons required to meet such contingencies has been reckoned as shown below :—

Broad Gauge	1200 *
Metre Gauge	800 *
TOTAL	2000

*The proportions given here are based on the approximate proportions of the assessment made in Statements I to VI.

APPENDIX XII

Statement showing details of locomotives required for replacement, for new demands etc. by the end of the First Five Year Plan.

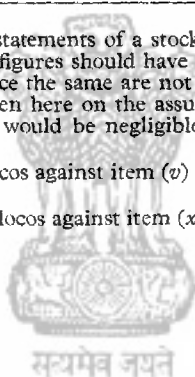
	B.G.	M.G.	N.G.	Total
(i) Requirement of additional locos @ 1 loco = 52½ wagons for a total number of additional wagons required for increased traffic from 1-5-53 upto the end of the 1st Plan period i.e., 31-3-56 as shown in Statements I-VII (App. XI) viz. BG 10,745; MG 14,510 ; Total : 35,255.	395	276	..	671
(ii) Plus effective stock on line as on 31-3-1953.	5,223 (a)	2,811 (a)	378 (a)	8,412 (a)
(iii) Total stock required at the end of the 1st Five-Year Plan period viz. 31-3-56. Items (i), (ii).	5,618	3,087	378	9,083
(iv) Effective stock on line as at the beginning of the 1st Five Year Plan period viz. 1-4-51.	5,416	2,494	299	8,209
(v) Stock ordered for increased traffic in 1953-54 to 1955-56 rolling stock programmes.	85	..	..	85
(vi) Total of items (iv) and (v)	5,501	2,494	299	8,294
(vii) Balance stock required on capital account to meet increased traffic during the entire plan period. Item (iii)—(vi).	117	593	79	789
(viii) Number that will be overage on 31-3-56 on 40 years age basis including that with which the 1st Plan started and that becoming overage during the period of the 1st Plan.	2,149	950	174	3,273
(ix) Less 10% of the holding as on 31-3-56 as shown in item (iii) considered reasonable towards retaining overage stock in service on a "fit to run" basis.	562	309	38	909
(x) Balance required for rehabilitation upto the end of the 1st Five-Year Plan period viz. 31-3-56. Item (viii)—(ix).	1,587	641	136	2,364
(xi) Stock ordered upto 1952-53 rolling stock programmes but not received upto 31-3-53. (This will however be received in 1953-54 to 1955-56).	229	131	38	398
(xii) Stock ordered and provided in 1953-54 to 1955-56 rolling stock programmes for rehabilitation.	900	512	25	1,437
(xiii) Total of items (xi) and (xii)	1,129	643	63	1,835
(xiv) Balance to be obtained for rehabilitation upto the end of the 1st Five Year Plan period viz. 31-3-56. Items (x)—(xiii).	458	(—)2	73	529

	B.G.	M.G.	N.G.	Total
(xv) Total number required both on capital account for increased traffic and on account of replacement of overage stock. Items (vii)—(xiv).	575	591	152	1,318
(xvi) Less number expected to be received in the 2nd Plan period out of those shown in items (v) and (xii).	305 (b)	187 (c)	..	492
(xvii) Balance number of locos required both on capital account for increased traffic and on account of the replacement of overage stock for which procurement of action should be taken immediately against the 1st Five Year Plan period requirement. Items (xv)—(xvi).	270 <i>or</i> 270 <i>In</i> <i>round</i> <i>figures.</i>	404 <i>or</i> 405	152 <i>or</i> 150	826 <i>or</i> 825

(a) Compiled from the age statements of a stock as furnished by the Railways. Although ordinarily these figures should have been taken as on 1-5-53 in the same way as item (i), but since the same are not available separately, the figures as on 1-4-53 are being taken here on the assumption that the difference between the two sets of figures would be negligible.

(b) This comprises 85 BG locos against item (v) and 220 locos against item (xii).

(c) This comprises 187 MG locos against item (xii) only and none against item (v).



APPENDIX XIII

Statement showing the movement of principal commodities by rail during 1951-52 to 1953-54.

Item No.	Commodities	(Figures in thousands)					
		1951-52		1952-53		1953-54	
		B.G.	M.G.	B.G.	M.G.	B.G.	M.G.
A. Revenue Earning Traffic :—							
1. Coal and Coke							
(a) Public	}	1144.7	207.1	930.5	163.5	885.5	151.1
(b) Non-Government Railways							
2. Grains and Pulses		358.1	267.5	329.0	290.8	327.9	265.2
3. Oil Seeds		49.6	50.7	54.5	62.0	49.4	55.5
4. (a) Cotton Raw		35.1	26.0	39.8	28.7	36.8	24.0
(b) Cotton Manufactured		24.1	13.4	23.3	14.0	24.1	12.9
5. (a) Jute raw		43.4	41.6	66.1	54.5	54.3	43.7
(b) Jute manufactured		6.5	5.2	7.7	6.1	6.0	3.7
6. Sugar		37.5	59.5	50.6	67.2	54.8	80.8
7. Cement		101.8	69.4	112.3	72.3	132.0	78.5
8. Iron & Steel—							
(a) Pig Iron		13.9	6.3	9.2	6.2	10.4	5.2
(b) Other		117.1	21.6	119.9	20.3	115.3	16.7
9. Tea		10.4	26.8	12.0	21.9	12.3	22.1
10. Metallic ores—							
(a) Manganese ore		49.5	10.8	69.3	17.0	76.4	22.5
(b) Iron ore		146.1	8.4	156.8	11.8	164.2	28.0
(c) Others		2.5	2.7	3.2	61.1	4.7	5.5
11. Other miscellaneous fulls		1463.0	1249.8	1468.7	1238.7	1370.4	1079.3
12. Miscellaneous smalls		310.9	331.3	309.8	293.9	335.8	354.5
13. Total Revenue earnings		3763.3	2375.0	3680.2	2249.2
B. Non Revenue Traffic:—							
14. Free hauled Rly. coal and materials—							
(a) Home line coal		21.9	162.4	211.7	176.8	235.3	184.6
(b) Coal for other Govt. Rlys. and manufacturing units				298.4	13.9	289.0	13.1
(c) Other stores		92.2	46.5	120.4	60.2	133.9	62.0
(d) Total Non-Revenue traffic				630.5	250.9	658.2	259.7
Total—loading (Revenue earning and non-revenue traffic)		4230.4	260.7	4393.8	2625.9	4338.4	2508.9

NOTE.—Number of wagons loaded with military and other traffic at coaching rates is not included.

APPENDIX XIV

Statment showing the number of wagons carrying "small's" and its percentage to the total number of wagons loaded during each of the years 1940-41 to 1953-54.

	Number of wagons loaded		Percentage of total number of wagons loaded.	
	B.G.	M.G.	B.G.	M.G.
1940-41	1,173,007	648,923	23.1	25.9
1943-44	475,428	360,496	11.00	15.00
1944-45	425,667	305,687	9.03	10.9
1948-49	339,233	263,134	9.33	13.84
1949-50	344,657	305,223	8.47	13.10
1950-51	340,144	317,337	8.43	13.23
1951-52	310,859	331,346	7.35	12.71
1952-53	309,540	292,565	7.05	11.20
1953-54 (Provl.)	335,800	394,500	7.70	14.10



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APPENDIX XV

Statement showing the effect of good and bad roads on the cost of operation.

Item	Vehicles Make 'A'			Vehicles Make 'B'		
	Vehicles on Nadiad-Dakor Road (8 vehs.)	Vehicles on other roads in Nadiad Divn. (6 vehs.)	Difference Column 3—2	Vehicles on Nadiad-Dakor Road (2 vehs.)	Vehicles on Nadiad-Kapad-vanj Roads (6 vehicles)	Difference Column 6—5
I	2	3	4	5	6	7
I. Average mileage of the vehicle at the beginning . . .	17877	17553		56649	81627	
II. Fuel (Diesel Oil) . . .	16.64	19.89	3.25	14.95	17.21	2.26
III. Engine Oil . . .	2.53	3.88	1.35	2.06	4.05	1.99
IV. Tyres (per set of 6 tyres) . . .	19.76	27.96	8.20	37.58	34.67	2.91
V. Spare parts . . .	2.57	4.88	2.31	1.38	15.15	13.77
VI. Effect on account of differential speed.						
(a) Cost on Insurance taxes & Interest. . .	23.52	31.36	7.84	23.52	31.36	7.84
(b) Cost of Tf. staff . . .	30.68	34.76	3.99	30.6	34.67	3.99
(c) Cost of Maintenance Staff . . .	16.40	21.78	5.38	16.40	21.78	5.38
TOTAL . . .	112.10	144.42	32.32	126.57	158.89	32.32

NOTE.—Figures in Columns 2 to 7 are *not* cost in terms of pias per bus mile except in Item I.

APPENDIX XVI

Statement showing the comparative cost of operations of Petrol and Diesel buses.

S. No.	Item	Cost in pies per bus mile including the element of duties on the material in- volved			Cost in pies per bus mile excluding the element of duties (i.e. Custom duty and/or excise and Sales Tax) on the material in- volved.			Remarks
		Petrol buses	Diesel buses	Savings in all diesel opera- tions	Petrol buses	Diesel buses	Savings in all diesel opera- tions	
1. (a) Fuel	.	62.02	18.54	43.48	33.53	16.62	16.91	
(b) Engine Oil	.	2.44	1.11	1.33	2.40	1.09	1.31	
2. Spare parts	.	33.19	19.10	14.09	23.42	13.26	10.16	
3. Interest on capital ex- penditure on chassis.	.	5.53	9.33	-3.80	3.90	6.48	-2.58	
4. Depreciation on Capital expenditure in chassis	.	31.79	26.32	4.97	22.43	18.62	3.81	
5. Batteries	.	1.27	3.53	-2.26	1.25	3.48	-3.23	
6. M. V. Tax	.	8.01	12.02	-4.01	8.01	12.02	-4.01	
TOTAL		144.25	90.45	53.80	94.95	71.57	23.37	

APPENDIX XVII

Statement showing the average costs of operation for a 6 ton Diesel lorry and a 3½ ton Petrol lorry.

	6 ton Diesel Pies per vehicle mile	(Diesel) Pies per ton mile			3½ ton (Petrol) Pies per vehicle	Pies per ton mile		
		(1)*	(2)*	(3)*		(1)*	(2)*	(3)*
A.—Time costs.								
(i) Supervision and General charges .	84.9	35.4	28.3	21.8	84.9	60.6	48.5	37.7
(ii) Wages of drivers and conductors .	19.9	8.3	6.6	5.1	16.1	11.5	9.2	7.1
(iii) Depreciation .	40.0	16.7	13.3	10.3	36.5	26.1	20.9	16.2
(iv) Interest on Capital 5%.	17.9	7.5	6.0	4.6	4.8	3.4	2.7	2.1
(v) Departmental mileage .	22.9	9.5	7.6	5.9	22.9	16.4	13.1	10.2
(vi) Taxation**	5.0	2.1	1.7	1.3	3.0	2.1	1.7	1.3
TOTAL	190.6	79.5	63.5	49.0	168.2	120.1	96.1	74.6
B.—Mileage costs.								
(i) Fuel .	15.85	6.6	5.3	4.1	58.67	41.9	33.5	26.1
(ii) Lubricating oil .	3.57	1.5	1.2	0.9	2.47	1.8	1.4	1.1
(iii) Grease & Kerosene.	0.47	0.2	0.2	0.1	0.47	0.3	0.3	0.2
(iv) Maintenance (Inc. Wages)	13.72	5.7	4.6	3.5	10.98	7.8	6.3	4.9
(v) Tyres .	25.67	10.7	8.5	6.6	21.28	15.2	12.2	8.4
(vi) Freight on fuel .	2.71	1.1	0.9	0.7	2.71	1.9	1.5	1.2
(vii) Interest charges on stores.	1.93	0.8	0.6	0.5	1.97	1.4	1.1	0.9
(viii) Octroi .	0.87	0.4	0.3	0.2	0.83	0.6	0.5	0.4
TOTAL	64.79	27.0	21.6	16.6	99.37	70.9	56.8	44.2
GRAND TOTAL	255.4	106.5	85.1	65.6	267.6	191.0	152.9	118.8

* (1), (2) & (3) are based respectively on (i) Load factor one way assumed to be 80% and Nil on return journey (ii) 80% on one way and 20% return and (iii) 80% on one way and 50% return journey.

NOTE.—**This obviously excludes all indirect taxes—Central and Provincial—like customs, excise, and sales tax which are included in the value of stores consumed.

APPENDIX XVIII

Statement showing population, number of trucks and the rate of motor vehicle tax per truck in each State.

State	Population	No. of trucks	No. of persons per truck	Rate of motor vehicle tax per truck
U. P.	63,215,742	6,119	10,331	1,203
Bihar	40,225,947	3,978	10,112	375
Orissa	14,645,946	2,167	6,814	1,080
West Bengal	24,810,308	19,295	1,286	455
Assam	9,043,707	4,759	1,900	450
Manipur	577,635	492	1,174	..
Tripura	639,029	423	1,511	..
Sikkim	137,725	..	..	..
Madras	57,016,002	8,356	6,823	1,440
Mysore	9,074,972	1,639	5,537	1,440
Travancore-Cochin	9,280,425	2,131	4,355	1,440
Coorg	229,505	374	613	..
Bombay	35,956,150	15,060	2,387	800
Saurashtra	4,137,359	1,561	2,650	520
Kutch	567,606	61	9,305	..
Madhya Bharat	7,954,154	903	8,808	1,600
Hyderabad	21,247,533	3,453	6,153	650
Madhya Pradesh	18,655,108	3,119	5,981	214
Vindhya Pradesh	3,57,690	368	9,714	..
Bhoapl	836,474	372	2,219	..
Rajsthan	15,290,797	2,818	5,426	1,500
Punjab	12,641,205	3,004	4,208	810
H. P. & Bilaspur	1,109,466	108	10,273	..
PEPSU	3,493,685	1,462	2,390	200
Delhi	1,744,072	1,586	1,100	200
Ajmer	693,372	198	3,502	..

APPENDIX XIX

Statement showing number of trucks and the current rate of motor vehicle tax per truck in each State

State	No. of trucks	Rate of motor vehicles tax per (14,500 lbs. laden weight) truck	*The adjustment needed for a uniform tax at the maximum rate suggested by M.V.T.E.C.	The resultant difference in Revenue (2) × (4)
1	2	3	4	5
Madhya Bharat	903	1,600	—790	—713,370
Rajasthan	2,818	1,500	—690	—9,944,420
Madras	8,356	1,440	—630	—5,264,280
Mysore	1,639	1,440	—630	—1,032,570
Travancore-Cochin . .	2,131	1,440	—630	—1,342,530
U. P.	6,119	1,203	—393	—2,404,767
Orissa	2,167	1,080	—270	—585,090
Bombay	15,061	800	+10	+150,610
Madhya Pradesh . . .	3,553	650	+160	+552,480
Saurashtra	1,561	520	+290	+452,690
West Bengal]	19,295	456	+355	+6,849,725
Assam	4,759	450	+360	+1,713,240
Bihar	3,978	375	+435	+1,730,430
Hyderabad	3,119	214	+596	+1,858,924
Punjab]	3,004	810	Nil	Nil
PEPSU	1,462	200	+610	+891,820]
Delhi	1,586	200	+610	+967,460
TOTAL				+1,881,352

*The ceiling on the basis recommended by the Motor Vehicle Taxation Enquiry Committee for a truck of 14,500 lbs. laden weight works out to Rs. 810/-.

APPENDIX XX

Statement showing number of buses and the current rate of motor vehicle tax per bus in each State

State	No. of buses	Rate of motor vehicle tax per (30 seater) Bus	*The Adjustment needed for a uniform tax at the maximum rate suggested by M.V.T.E.C.	The resultant difference in revenue (2) X (4)
1	2	3	4	5
Madras	5,541	3,600	—1,320	—7,314,120
Travancore-Cochin	1,612	3,600	—1,320	—2,127,840
Mysore	1,069	2,400	—120	—128,280
Orissa	661	2,320	—40	—26,440
West Bengal	5,101	1,240	+1,040	+5,305,040
Bombay	4,511	875	+1,405	+6,337,955
Madhya Pradesh	1,211	850	+1,430	+1,731,730
Bihar	1,417	843	+1,437	+2,036,229
Rajasthan	2,158	600	+1,680	+3,625,400
U. P.	3,975	540	+1,740	+6,916,500
Suarashtra	505	500	+1,780	+898,900
Assam	1,220	375	+1,905	+2,324,100
Madhya Bharat	541	275	+2,005	+1,084,705
Hyderabad	1,343	247	+2,033	+2,730,319
Punjab	1,413	219	+2,061	+2,912,193
PEPSU	687	219	+2,061	+1,415,907
TOTAL				+27,722,298

*The ceiling on the basis recommended by Motor Vehicle Taxation Enquiry Committee for a 30-seater Bus works out to Rs. 2,280/-.

APPENDIX XXI

Code of Principles and Practice in the regulation of motor transport.

1. The Central and State Governments having regard to—

(1) Their common interest in the healthy development of all means of transport and in particular of transport on improved district and village roads.

(2) The necessity for an effective policy of co-ordination with a view to develop all forms of transport in their appropriate functions, and avoid wasteful duplication.

(3) The importance of so regulating the interest of individual users, and providers of transport as to serve the common good and controlling each form of transport in relation to the other and to the whole with a view to promote safe, adequate, economical and efficient services and foster sound economical conditions in transport including fair wages and equitable working conditions.

(4) The accepted policy of full development of public passenger services, and short haulage of goods by road.

(5) The fact that with unimportant exceptions railways are publicly owned and managed by the Central Government and will be operated with a view to secure the improvement of the services offered by the Railways and the greatest possible measure of co-ordination with other forms of transport, hereby agree that in respect of road and rail co-ordination, motor transport will be controlled under the directions of State Governments, subject to the provisions as amended from time to time of the Motor Vehicles Act and Rules thereunder and this Code of Principles and Practice.

ADMINISTRATIVE MACHINERY AND PROCEDURE

2. (1) Each State Government will at its own cost establish and maintain the offices necessary for the effective administration and enforcement of the law as interpreted by this Code and will suitably impart all reasonable information to the Central Government and the interests affected.

(2) In particular, each State Government will create a whole-time office of State Transport Commissioner, or in the case of Assam, Bihar, Madhya Pradesh and Orissa of at least a whole-time Deputy State Transport Commissioner working under a part-time Commissioner. Subject always to the general control of the State Government, the State Transport Commissioner will be the Chief Transport Administrative Officer in the State, Chairman of the State Transport Authority under the Motor Vehicles Act, unless Minister in charge is the Chairman and be competent to give such directions, as may lawfully be given to the Regional Officers and Chairman of the Regional Transport Authorities under that Act. Where there is no whole-time State Transport Commissioner the Deputy State Transport Commissioner will be a Member and the Chief Executive Officer of the State Transport Authority.

(3) Without prejudice to the ultimate authority of the Central and the State Governments respectively, the closest relation shall be maintained and direct correspondence be permitted between the State Transport Commissioner, and Ministry of Transport of the Central Government.

(4) Each State Government will constitute a State Board of Transport to consider all general policy matters arising out of the Code and in particular to ensure the maximum co-ordination of all forms of inland transport so as to avoid wasteful competition. Representation will be given to the Railways on each of such Boards.

TRANSPORT ADVISORY COUNCIL

and

STANDING COMMITTEE OF THE CENTRAL BOARD OF TRANSPORT

3. (1) The Central Government will as far as circumstances permit, convene meetings of the Transport Advisory Council not less frequently than at dates approximately twelve months following the previous meeting. Meetings will be convened at shorter intervals if there is at any time a general wish to that effect or if the business to be transacted render that necessary.

(2) Except on grounds of great urgency, no important issue of transport policy of general application will be decided by the Central or a State Government and, in particular, no departure will be made from the provisions of this Code, without reference to a meeting of the Council, the conclusions of which are subject to ratification of the several Governments.

(3) Without prejudice to the generality of the foregoing, deviations, if any, deemed necessary by State Government, from the maximum limit laid down in sub-clause 7(3) (b) shall be considered by the Standing Committee of the Central Board of Transport on which the representative of the State Government concerned should be co-opted, on the basis of a statement of the case to be submitted by the State Government. The Committee's decision shall be final.

NOTE.—The drawing up of special zones equivalent in area to the compact area of a circle of 75 miles radius would be a deviation from the accepted provisions of the Code and, therefore, a matter for the Standing Committee of the Central Board of Transport to settle.

ARBITRATION

4. (1) Any dispute between the State Government or between the Central and State Governments arising out of the administration of or under the Motor Vehicles Act or out of the interpretation of this "Code", shall on the motion of any one party to the dispute be referred for decision to an Arbitration Board which shall be composed as follows:—

- (a) where there are two parties to the dispute the Board shall consist of one representative of each party and a third Member who shall be the Chairman selected jointly by the other two Members;

- (b) where there are more than two parties not including the Central Government, the Board shall consist of one representative of each party and a Chairman appointed by the Central Government. Where the Central Government itself is a party to the dispute the Chairman shall be appointed by the Chief Justice of the Federal or Supreme Court;
 - (c) where the Arbitration Board consists of an odd number of Members, each Member including the Chairman shall have one vote and decisions will be by a majority of votes. Where the Board consists of an even number of Members, the Chairman shall have also a casting vote, besides his own vote, in the event of an equality of votes.
- (2) The Arbitration Board will decide its own procedure in each case.
- (3) Expenses of representatives and witnesses will be borne by each party. The cost and expenses of the Board will in each case be divided equally between the parties.

PASSENGER TRANSPORT—JOINT UNDERTAKINGS

5. State Governments will organise public passenger (stage carriage) transport and will form substantial undertakings in which the railway or railways concerned will be offered on reasonable terms a financial interest of not less than 20 per cent.

PASSENGER TRANSPORT—GENERAL

6. The State Government will invite the railway or railways concerned to co-operate in setting up a Joint Committee or Committees or other suitable machinery for mutual consultation in matters affecting road rail co-ordination and the recommendations of such Committees will be given due weight by the State Governments and the Railway Administrations concerned.

GOODS TRANSPORT

7. (1) Except where such facilities can be provided by an undertaking in which the railways have a financial interest of not less than 20 per cent. Railways and Steamer Companies or their accredited contractors should normally be granted permits to operate collection and delivery services within the municipal limits or a radius of 10 miles of any railway station or Steamer Ghat whichever is more.

(2) Applications by railway or by joint undertakings in which railways have a financial share for public carrier permits between places connected by railways shall be given equal consideration by Transport Authorities with due regard to the need and the benefits or the co-ordination which should result, to that given to applications from other persons.

(3) (a) Every public carrier's permit should wherever possible include authorization to carry any goods except those prohibited by law anywhere within a "free zone" conforming to the size and configuration of the local traffic area.

(NOTE.—This might be roughly equivalent to a circle of not less than 3 miles radius from the centre of a small town, increasing to 15 miles or municipal limits in the case of very large city.)

- (b) A public carrier's permit should normally be valid with due regard to geographical conditions, flow of traffic and marketing centres for a compact area—a circle with a radius of 75 miles.
- (c) A public carrier's permit valid outside the area described in (b) above should wherever possible, be expressed as valid outside the "free zone", and the "compact area" if any, for a specified route or routes only. "Free Zones" may if necessary be added at other towns on the route or routes.

(NOTE.—It is open to the S.T.A. to specify the goods to be carried.)

Grant or Renewal of Carrier's permits

(4) A Regional Authority should not, save in accordance with the general or specific instructions of State Transport Authority grant, countersign or, renew any carrier's permit valid for a distance exceeding 75 miles between places served by railways and should not in any case grant or renew such a permit valid for a distance exceeding 150 miles between places connected by railway, but should refer the application to the State Transport Authority.

(5) Save in accordance with any regular agreement between the railway or railways concerned and the State Government, a carrier's permit valid between places connected by rail should normally not be granted (or countersigned) or renewed—

- (a) if the distance exceeds 150 miles—unless the Authority is satisfied that the goods for the carriage of which the permit is required cannot be transported by rail without undue expense or inconvenience at least in the outward direction and
- (b) if the distance exceeds 300 miles—unless the circumstances are very exceptional or the goods to be carried in the outward direction are of a highly perishable or fragile nature.

NOTES.—(1) "Between places connected by railway" means between places connected by a railway route not exceeding in length $1\frac{1}{2}$ times the length of the road where there is no break of gauge in the railway connection, and not exceeding the length of the road where there is a break of gauge. Where a route originates or terminates at a place off the railway this distance and this criterion applies to the part of the route, if any, which is between places connected by railway as defined, and a place for this purpose means in relation to a town the municipal areas and elsewhere any place within a distance of three miles from any railway station.

(2) The provisions of sub-clauses (3) and (5) of this clause are intended to apply equally where goods vehicles are operated commercially without a permit.

(3) The working of this part of the Code will be reviewed after 2 years and in the light of experience.

SPECIAL PROVISIONS APPLICABLE TO NATIONAL HIGHWAYS

8. Subject always to the provisions of clause 4(1) the State Government will in giving directions to the State Transport Authority regarding the control of transport on National Highways, pay due regard to the advice of the Central Government.

APPENDIX XXII

Statement showing the number of permits (Permanent & Temporary) issued by the various States.

	Stage Carriage		Contract Carriage		Motor Cabs		Public Carriers		Private Carriers		Total No. of Temporary permits unclassified.
	perma- nent	Tempo- rary	perma- nent	Tempo- rary	perma- nent	Tempo- rary	perma- nent	Tempo- rary	perma- nent	Tempo- rary	
Madras 1952	6033		6	1020	7667	2958	528				
Himachal Pradesh (1953)	..		5	..	..	..	..				3916
Madhya Pradesh (1952)	1625		134	154	784	228	21				1674
Saurashtra (1952-53)	13		3	32	139	62	239				979
Madhya Bharat (1952)	33		6	8	239	58	187				3070
Kutch (1952)	63		Nil	44	1494	1031	33				730
Mysore (1952)	1571		52	271	402						
Vindhya Pradesh (1952)	164		Nil	Nil							
Coorg	Information not furnished.		Nil								
Rajasthan (1952-53)	1226		105		1170	176					3076
Delhi (1952)	6		3	205	131	165					Not given
Hyderabad (1952)	377		45	35	1083	662					9486
Bombay (1952)	1482	5490	132	1056 *336 *297	10513	10829	2040				...
Tripura	..		..					
Bihar (1951-52)	938	455	..		2058	2336					6038
Uttar Pradesh	262		36	57	710	367					10338

Permit control system has not yet been introduced in the State.

*(Auto rickshaws)

APPENDIX XX II

Statement showing certain particulars regarding nationalised

Name of State	Date of inauguration of nationalised road transport services	Mode of operation	Fleet strength		Route mileage operated		
			Passenger	Goods	On monopoly basis		On Non-monopoly
					Passenger	Goods	Passenger
1	2	3	4	5	6	7	8
Assam	16-1-1948	Departmentally through a Board of Control.	126	96	470	64	Nil
Bihar	18-5-48	Departmentally	5	Nil	96	..	..
Bombay	June '48	Through a Corporation set up under the Road Transport Corporations Act, 1950.	15,29	Nil	27,654	..	Nil
Madhya Pradesh	1945	Through Public Limited Companies with a Government official as Managing Director.	239	13	1,411	..	202
Madras	24-3-1947	Departmentally	379	Nil	214	..	829
Orissa	1-1-1948	(a) Departmentally in two zones. (b) Through a joint stock company in one zone.	93 (plus 4 other vehicles)	13	2,182	Nil	..
Punjab	20-5-1948	Departmentally	210	6	431	Nil	554
U.P.	1947	Do.	1,385 (includes 50 Taxis)	200	8,343	120	1,400
West Bengal	July 1948	Do.	310	10	Not available.	Nil	74
Hyderabad	1932	Do.	644 (includes 105 stabled vehicles).	170	5,214	Nil	Nil
Madhya Bharat	1916	Do.	267	Nil	6,452	Nil	981
Mysore	12-9-48	Do.	184	Nil	Nil	Nil	1,611
Rajasthan	Not available.	Do.	3	Nil	40	Nil	22
Saurashtra	November 1948	Do.	78	Nil	1565	Nil	200
Travancore-Cochin	1938	Do.	245	29	585	Nil	49
Bilaspur	1948	Through a Statutory Authority.	13	7	51	83	32
Delhi	14-5-48	Through a Statutory Authority set up under the Delhi Road Transport Authority Act, 1950.	304	Nil	315.5	Nil	Nil
Himachal Pradesh	April '49	Departmentally	71	76	315	315	466
Kutch	1942	Through a non-statutory transport Board consisting of officials	77	Nil	400	Nil	Nil
Manipur	Not available.	Departmentally	6	28	14	..	66

road transport undertakings. (position as on 31-12-52)

basis	on (date)	Capital investment				Profits (+) Loss (-)		
		by Central Government	By State Government	By private parties	Total	Period	Amount Rs.	Percentage
9	10	11	12	13	14	15	16	17
PART 'A' STATES								
306	31-3-52	Nil	39,41,248	..	39,41,248	1951-52	13,50,000	34.3
..	31-3-52	Nil	81,325	..	81,325	1951-52	Not available	5
..	31-3-52	235,81,000	437,00,000	..	672,81,000	1951-52	+35,00,000	5.2
..	31-3-52 C. P. Tpt. Services Ltd.	9,96,000	9,98,000	3,55,600	23,49,600	1951-52	5,50,000	23.4
..	Provincial Tpt. Co. Ltd.	8,46,800	16,72,275	4,80,700	29,99,775	..	+4,00,000	13.3
..	1951	Nil	55,23,000	..	55,23,000	1951-52 (Six months)	+5,89,000	16.55
..	31-3-52 (a) Services run departmentally.	Nil	1,81,400	..	1,81,400	1951-52	+3,00,000	16.5
..	(h) Joint stock company	3,00,000	544,178	..	18,44,178	1951-52	+83,298	9.8
138	31-3-52	Nil	38,14,959	..	38,14,959	1951-52	+8,08,890	21
10,000	31-3-51	Nil	315,53,944	..	315,53,944	1950-51	+20,18,448	6
50	31-3-52	Nil	32,40,182	..	32,40,182	1951-52	Not available (gross receipt Rs. 48,75,000).	
PART 'B' STATES.								
Not available	1-4-52	Nil	232,52,607	..	232,52,607	1951-52	+58,50,782	25.12
Nil	31-3-51	Nil	37,74,000	..	37,74,000	1950-51	+5,22,949	14
Nil	31-3-52	Nil	26,91,156	..	26,91,156	1951-52	Not available.	0.92
Nil					Not available			
Nil	29-5-52	Nil	12,81,000	..	12,81,000	Not available.	..	16.1
479	31-3-52	Nil	90,00,000	..	90,00,000	1950-51	21,40,000	30
PART 'C' STATES								
..	31-12-52	3,19,460	..	3,19,460	..	1951-52	15,431	10
Nil	31-10-52	81,88,000	..	..	81,88,000	1950-51	-6,20,000	..
390	31-3-51	12,85,297	..	..	12,85,297	1950-51	3,01,857	23
Nil	..	Nil	..	..	Not available	Not available		
66					Not available			

APPENDIX XXIV

Analysis of the quantities of different kinds of goods carried by river and rail between Assam and Calcutta during 1952-53.

(Extracted from "Accounts relating to the Inland (Rail & River-borne) Trade of India" published by the Department of Commercial Intelligence and Statistics, Ministry of Commerce and Industry, Government of India, Calcutta).

Commodity	Imports into Assam from West Bengal in- cluding Calcutta Port.		Exports from Assam into West Bengal including Calcutta Port.	
	Total Rail & River.	Total River.	Total Rail and River.	Total River.
I	2	3	4	5
1. Bones	3	..	3,559	..
2. Cement	7,71,155	3,54,507	44,375	..
3. Coal & Coke	13,88,997	13,45,592	2,24,764	..
4. Coffee	34	..	..	..
5. Cotton, Twist & Yarn	32,299	24,049	385	..
6. Cotton Piece Goods	56,266	52,503	..	..
7. Dyes & Tans Moyrobalans . . . . .	..	..	..	..
8. Fruits, Dried	831	251	2,379	..
9. Glass	8,277	1,215	381	..
10. Grains, Pulses and Flour	14,05,334	6,88,165	87,668	..
11. Hemp & Jute, Raw	3,718	..	27,98,366	20,41,748
12. Hides & Skins, Raw, & Tanned & Leather	2,319	79	25,283	13,908
13. Gunny Bags & Cloth	40,892	21,392	1,258	..
14. Iron & Steel Bars, Sheets, Girders etc.	8,76,448	4,84,576	59,732	3,269
15. Lac & Shellac	15	..	14,856	14,744
16. Manganese Ore . . . . .	..	..	..	..
17. Oil Cakes	295	..	1,64,924	1,624
18. Oil Kerosene	18,682	13,949	21,104	..
19. Vegetable Oils	2,00,818	1,76,948	1,623	..
20. Oil seeds	7,024	6,136	16,806	12,822
21. Ghee	266	187	..	..
22. Rubber, Raw	138	..	..	..
23. Salt	6,00,294	3,35,576	6,584	..
24. Sugar, including Khandsari, Gur, Jaggery, Gur, Shakar, & Molasses	3,23,574	2,64,927	2,367	..
25. Tea	3,196	..	27,90,786	18,32,758
26. Tobacco, Raw	54,053	2,472	539	412
27. Wood & Timber	22,983	..	3,33,027	62,828
28. Wool Raw	613	..	..	..
TOTAL	58,18,522	37,72,544	66,01,216	39,84,113

NOTES.—(1) The maundages represent the net weights of commodities carried and are exclusive of the weights of packing materials used, which are deducted from the gross weights by certain specified percentages fixed for different Commodities e.g. 23.5 % in the case of Tea.

(2) The maundages shown represent the traffic carried by Railways and the Joint Steamer Companies and do not include the traffic carried by other inland water transport operators.

(3) The totals shown exclude traffic in oil, other than Kerosene, in bulk and in drums and wax and fertilizers, which are also carried by Joint Steamer Companies between Assam and Calcutta.

(4) Subject to the above observations, the percentages the river-borne traffic bear to total Rail and River traffic are shown below :—

Imports into Assam from West Bengal including Calcutta Port—64.84%

Exports from Assam into West Bengal including Calcutta Port—60.35%

APPENDIX XXV

Constitution and functions of the Transport Advisory Council

Functions of the Council.—The functions of the Transport Advisory Council will be to make recommendations designed to evolve a policy for the development of co-ordinated transport system and recommendations regarding suitable measures for giving effect to that policy.

2. *Effect of Council's recommendations.*—(1) A recommendation of the Council shall not be binding on the Government of India or any Part 'A' or 'B' State Government until it has been accepted by such Government by formal intimation of ratification made to the Secretary to the Council.

(2) In accepting any recommendation, the Government of India or any Part 'A' or 'B' State Government may signify that their acceptance is subject to a reservation which should be clearly explained.

(3) Within two months of the receipt of the recommendation of the Council, a Part 'A' or 'B' State Government shall intimate to the Secretary to the Council their acceptance or otherwise of the recommendation. In the absence of such an intimation within the prescribed time-limit, the Part 'A' or 'B' State Government shall be deemed to have given their assent to the recommendation.

(4) The Government of India or any Part 'A' or 'B' State Government may at any time resile from any recommendation accepted by it, or may make a reservation thereto, by formal intimation to the Secretary to the Council.

3. *Constitution of the Council.*—(1) The Council shall consist of:—

- (a) not more than twenty two members, being officials nominated by the Central Government, who should ordinarily include the Hon'ble Ministers incharge of matters relating to Transport and Communications, and the members and Secretary of the Central Board of Transport;
- (b) not more than four members, being officials nominated by the Government of each of the Part 'A' and 'B' States who should ordinarily include the Hon'ble Minister incharge of matters relating to Transport and/or Communications;
- (c) not more than one member being official nominated by the Government of each of the Parts 'C' and 'D' States excepting Himachal Pradesh and Vindhya Pradesh who will nominate not more than two members each.

(2) The Hon'ble Minister incharge of Transport at the Centre shall be the Chairman of the Council and an officer appointed by the Government of India shall be the Secretary.

4. *Meetings.*—(1) The Council will meet once a year at a place and on a date to be appointed by the Chairman.

(2) Additional meetings may be convened by the Chairman at any time or place.

(3) Not less than three months' notice shall be given by the Secretary of every annual meeting. As long notice as may be possible shall be given of additional meetings.

5. *Agenda.*—(1) The Agenda for a meeting shall contain such matters as the Chairman may direct.

(2) A State Government wishing to have any matter discussed at an ordinary meeting may intimate the fact to the Secretary at any time not later than one month after the date of the meeting has been intimated to the State Government. The inclusion of such matter and the precise form in which it is to be expressed shall be at the discretion of the Chairman.

Explanatory Note.—It is not reasonable to expect State Governments invariably to formulate their proposals for discussion before the date of an ordinary meeting has been announced. Whenever possible, more than the three months' notice required under sub-rule (3) of rule 4 will be given. But it must be recognised that if only three months' notice is possible and State Governments do not forward their proposals until notice has been received, it may not be possible for the Secretary to send out papers covering such proposals as required by sub-rule (3) of rule 5. As far as possible, therefore, important proposals should be sent to the Secretary as soon as they are ready and without waiting for the date of the meeting to be fixed.

(3) The agenda for all annual meeting, together with all relevant memoranda and other papers shall be despatched by the Secretary so as to reach members not less than two months before the meeting.

(4) Nothing in this rule shall prevent the Council from deciding to discuss any matter of which notice as above provided has not been given.

6. *Voting.*—(1) The decision of the Council shall be by votes.

(2) On matters relating to policy for the development of a co-ordinated system of transport and suitable measures for giving effect to such policy, no recommendation shall be regarded as adopted by the Council unless it is supported by not less than two thirds of votes cast.

(3) On other matters, the decision of the Council shall be by a simple majority of the votes cast, and in the event of the votes being equally divided, the Chairman shall have an additional or casting vote.

(4) The Central Government shall have forty votes, each Part 'A' and 'B' State ten votes, Himachal Pradesh five votes, Vindhya Pradesh five votes and each of the remaining Part 'C' and 'D' States two votes.

7. *Powers of Chairman.*—The Chairman shall have all necessary powers to supplement these rules and to give rulings for the orderly and prompt despatch of the business of the Council.

8. *Minutes.*—(1) The minutes or proceedings of each meeting shall be prepared as soon as may be by the Secretary and shall be authenticated by the Chairman. Copies shall be furnished to all members and State Governments.

(2) The minutes or proceedings of the Council shall be confidential documents, but the Chairman may issue such press communiques in regard thereto as he may think fit.

